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NEWSPAPER

September 26, 1988

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Advertising Age

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

Last Minute News

State officials target Quaker

CHICAGO—Quaker Oats Co. is the latest target of an ad hoc group of eight state attorneys general investigating potentially deceptive advertising by food marketers. The Texas attorney general asked for information on print ads for Quaker's standard and instant oats; the ads, which ran last year, claim oats can help reduce cholesterol. Quaker, which earlier this year gave the Federal Trade Commission information on the same ads, sent a copy of that material to the Texas official. Jordan, McGrath, Case & Taylor, New York, created the ads.

Bozell taps Frankfurt successor

NEW YORK—Bozell, Jacobs, Kenyon & Eckhardt this week will name Ron Anderson, 52, as vice chairman-chief creative officer, succeeding Stephen O. Frankfurt, 56. Mr. Frankfurt's employment contract ended last Dec. 31 but has been extended on an "informal basis." His future plans aren't

(Continued on Page 8)

Philip Morris knocks P&G out of top advertiser spot—P. 3

Sales promotion called into court

A-B execs to label gifts as 'normal'

By IRA TEINOWITZ

The sales promotion industry goes on trial this week in St. Louis.

In a case that could shake the fast-growing field, defendants in the case of the U.S. vs. Joseph E. Martino, Michael A. Orloff and Mark L. Shyres are expected to counter government allegations of gifts, kickbacks and illegal trading of contracts by showing that such deals are normal in sales promotion.

Jury selection starts today in what is expected to be a four-week trial in U.S. District Court.

Although the 19-count indictment lists the two top former A-B executives and a promotion agency head, it is beer marketing and promotional practices that will be on trial.

Defense lawyers have decided to call top executives from the sales promotion field to testify, but declined to say who has been subpoenaed.

For A-B, the trial is expected to be deeply embarrassing, perhaps the most public airing of corporate dirty laundry in recent years.

Top A-B officials all the way up to Chairman-President August A. Busch III have been subpoenaed to buttress the defense argument.

The damage could be worse for the $55 billion sales promotion agency business, which has been struggling to achieve a professional image in keeping with its stature.

Consumer and trade promotions last year accounted for 64.8% of marketing dollars, with 35.2% going to media advertising, according to Dun & Bradstreet Corp.'s Donnelley Marketing.

But the defense will portray the relationship between sales promotion agen-

(Continued on Page 88)

Reebok rethinks 'U.B.U.'

Photo courtesy University of Kansas

DANNY MANNING

By PAT SLOAN

Reebok International is reassessing its new "U.B.U." ad campaign as it grapples with conveying a performance message equal to that of archrival Nike.

Reebok is about to sign the National Basketball Association's No. 1 draft choice, Danny Manning, as a celebrity endorser.

Company executives are hoping that Mr. Manning, a superstar college and Olympic athlete, will be the next Michael Jordan, the Chicago Bulls' guard credited with putting Nike back at the top of its game.

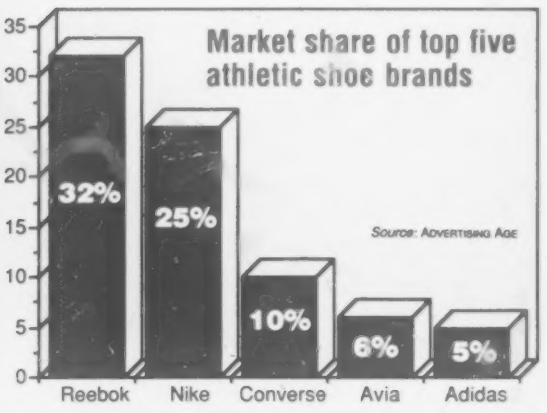
Mr. Manning, who's expected to start his professional career with the Los Angeles Clippers this season, will introduce a new performance shoe for Reebok before the end of the year.

Reebok executives denied rumors they have contacted other agencies and that "U.B.U." and its creator, Chiat/Day's New York office, are in danger of being axed.

"Not true and not true," said Reebok International President C. Joseph LaBonte, who nevertheless acknowledged that "a lot of us have been worried about how it might be perceived. It's on the edge, not conventional at all. . . . But playing it safe is not what this company is about."

Reebok spends $44 million annually on advertising;

(Continued on Page 90)



Manny Millan/Sports Illustrated

MICHAEL JORDAN

Who won the debate?

Results will affect both candidates' ads

By STEVEN W. COLFORD

Want to know the Phil Dusenberry method of determining the winner of the presidential debate between George Bush and Michael Dukakis?

It's easy, says the chairman-ceo of BBDO Worldwide's New York office, who served as creative adviser to the 1984 ad team of President Reagan. "If you can take the 90 minutes of [debate] film and come out of it with 60 seconds worth of catchy phrases, one-liners and sound bites by your candidate, then he's the winner," Mr. Dusenberry said. "In 1984, we had Ronald Reagan and his priceless one-liner—'There he goes again.'"

Conversely, the surest way to spot the loser of yesterday's debate is to see which candidate follows up on the verbal sparring match with the biggest, newest wave of commercials, said veteran Republican media buyer Anthony Fabrizio, president of Multi Media Services, Alexandria, Va.

"If you looked bad in the debate and lost, then you've got to get right back out there to re-establish yourself," Mr. Fabrizio said. "The winner gets to enjoy all the free media about him winning, but the loser has to get his name back out there through commercials."

The president-ceo of President Reagan's 1984 "Tuesday Team," Jim Travis, did just that after the president's poor showing in the first debate in 1984.

Mr. Travis followed the debate with a flight of tax-increase commercials attacking Democrat Walter Mondale, who was enjoying favorable post-debate media reports.

"The first thing you want to do if the other

(Continued on Page 88)

Campaign '88

Jesse Jackson's adman reviews first wave of political spots—P. 6

"If your candidate comes out on the short end, you've got to play catchup, and advertising will do that for you in a campaign."
—Phil Dusenberry

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Tobacco industry analysts are questioning R.J. Reynolds Tobacco Co.'s "smokeless" cigarette prospects because of its taste.

26 **4A's likely to tap O'Toole**
Ad executives predict John O'Toole will be named Four A's president this week.

38 **New growth in haircare**
Prescription Rogaine is spurring activity in non-prescription products for the care of thin hair.

40 **Mattel turns to coupons**
Mattel hopes to boost sales by distributing more than a half-billion dollars-off coupons during the holiday season.

48 **Chrysler full of 'spirit'**
As part of their renewed commitment to develop sharper brand identities, Dodge and Plymouth are breaking new ad themes.

53 **P&G looks at black TV shows**
Procter & Gamble is in the "planning stage" for a daytime TV soap opera featuring a black cast.

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Professional tennis, suffering from waning advertiser interest and a chaotic image, is taking a dramatic step to boost its fortunes.

68 **Lotteries offer 'play at home'**
The Pennsylvania Lottery is deciding whether to become the eighth state lottery to introduce subscription service.

84 **Brokers butt heads**
Merrill Lynch & Co. and Shearson Lehman Hutton are going head-to-head in a contest to put credible decision-makers on the air.

INTERNATIONAL

60 **Hungary leads shops to Soviets**
As Western agencies wait to enter the Soviet Union, Ogilvy & Mather and McCann-Erickson Worldwide have been gaining Eastern bloc experience in Hungary.

AD REVIEW: Burger King is char-broiling itself. P. 92.

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ABP ABC MPA

Nestle mulls more control of media buys

By KEVIN COTE

Nestle is studying ways to take greater control of its media buying, which would probably reduce the role of its ad agencies—first in Europe and then possibly the U.S.

The marketer, which claimed worldwide media billings of about $1 billion last year, is reacting to plans of several major agencies—including Saatchi & Saatchi Co., Omnicom Group and Ogilvy & Mather Worldwide—to combine media-buying operations to gain more clout and presumably discounts.

"I'm looking for a long-term solution in Europe. . . . What we learn in Europe today may be valuable in the U.S. in five years' time," said Michel Reinarz, director of visual communications at the Vevey, Switzerland-based marketer.

Nestle is working with consultants and its agencies' executives, including McCann-Erickson Worldwide, J. Walter Thompson Co., Lintas:Worldwide and Publicis, to formulate a worldwide policy, which it hopes to complete by late next month.

"We can't wait any longer to develop a company policy on media buying," Mr. Reinarz said.

A copy of a Nestle presentation to its agencies was secured by *Euromarketing*, ADVERTISING AGE's European newsletter.

In the presentation, Mr. Reinarz indicates there's only one option on the centralized media-buying issue

(Continued on Page 88)

Ferrell quits Y&R in creative revamp

By JON LAFAYETTE

NEW YORK—In trying to regain its creative edge, Young & Rubicam let the ax fall on John Ferrell.

Mr. Ferrell, 44, quit Y&R last week after 21 years. That decision came after he was replaced as creative director of one of the office's three groups by Eric Weber, 46, who recently rejoined the agency from Saatchi & Saatchi DFS Compton (AA, Sept. 19).

J. Ferrell

E. Weber

The bow-tied Mr. Ferrell has been one of the highest-profile creatives on Madison Avenue since a long story about his idiosyncratic approach to advertising appeared in *Esquire* in 1982.

He was offered other positions at Y&R but said the jobs "didn't fit in with what I want to do."

Y&R has made a number of moves to improve its creative work during the past year, and Mr. Ferrell, who until last year had been creative director of the New York office, should have been able to read the handwriting on the wall.

Last October, the creative job was split into three groups from one, which reduced Mr. Ferrell's role to Group One creative director.

At the time, the always enthusiastic executive talked mainly about the advantages of being closer to the work and to people working for him. But in an interview last week, Mr. Ferrell admitted the change left him with "not more responsibility, but less."

He said he "missed the authorit·

(Continued on Page 88)

Philip Morris surpasses P&G

By R. CRAIG ENDICOTT

Philip Morris Cos. has topped Procter & Gamble Co. as the nation's No. 1 advertiser.

P&G had held the No. 1 spot since passing General Motors Corp. on the charts 24 years ago.

Tobacco, beer and food giant Philip Morris parlayed a get-tough policy into aggressive advertising, pushing its total U.S. ad spending to $1.56 billion in 1987.

P&G, which has been in a low spending cycle in new-product marketing, spent $1.39 billion, down 7.6% from 1986. No. 3 GM was the only other advertiser to break the billion-dollar mark.

The 7.4% year-to-year growth in national ad spending at Philip Morris outshown the 4.3% composite growth of the nation's 100 leading advertisers, according to ADVERTISING AGE's 33rd annual report on the 100 Leaders, to be published in a special issue Sept. 28.

Of the 100 companies, there were 35 with reduced national spending.

The top 100 continued to favor network TV among the 11 media measured in the report. It accounted for $6.67 billion, or 23.5%, of $15.36 billion in media advertising. These advertisers represented 72.6% of all network spending in 1987.

P&G remained the top network advertiser with $377.6 million, down 15.6% from 1986. Philip Morris was close behind at $330.8 million, down 3.4%.

Total spending of the 100 came to $28.4 billion, including heavy "unmeasured" spending of $13.04 billion. The so-called unmeasured advertising includes couponing, in-store displays, newspaper free standing inserts, direct marketing, special events and promotions.

Philip Morris, tiring of the earnings performance at two of its big subsidiaries, General Foods Corp. and Miller Brewing Co., ordered a reversal and ended up spending aggressively for advertising.

The company first became a contender for the top spot in 1985 by acquiring GF, which that year spent $450 million on U.S. advertising.

A similar development has occurred now, with Eastman Kodak Co.'s acquisition of Sterling Drug. Combined ad spending has elevated Kodak to No. 7, from No. 34 the previous year. #

Top 10 national advertisers

Rank '87	Rank '86	Advertiser/headquarters	Total U.S. ad spending 1987	1986	% chg
1	2	**Philip Morris Cos.**, New York	$1,557,846	$1,451,170	7.4
2	1	**Procter & Gamble Co.**, Cincinnati	1,386,710	1,500,268	(7.6)
3	5	**General Motors Corp.**, Detroit	1,024,852	838,912	22.2
4	3	**Sears, Roebuck & Co.**, Chicago	886,529	1,105,398	(19.8)
5	4	**RJR Nabisco**, Atlanta	839,589	894,237	(6.1)
6	10	**PepsiCo Inc.**, Somers, N.Y.	703,973	641,538	9.7
7	34	**Eastman Kodak Co.**, Rochester, N.Y.*	658,221	610,192	7.9
8	8	**McDonald's Corp.**, Oak Brook, Ill.	649,493	591,808	9.7
9	6	**Ford Motor Co.**, Dearborn, Mich.	639,510	650,875	(1.7)
10	7	**Anheuser-Busch Cos.**, St. Louis	635,067	643,893	(1.4)

Note: Dollars are in thousands. * reflects 1988 acquisition of Sterling Drug. Source: ADVERTISING AGE.

World News Roundup

MOSCOW—Coca-Cola Co. turned down the opportunity to run TV spots on Gosteleradio, the Soviet national TV network, during its Olympic broadcast, according to Global American Television, the network's U.S. representative. However, PepsiCo and Visa International will be running ads during the last two weeks of the Soviet Olympics' coverage. The quoted rate is $20,000 per :30, with a minimum of three spots.

LONDON—Debenhams department store moved its $10 million account to BSB/Dorland from Lowe Howard-Spink. Debenhams also is reviewing its media-buying account, now with TMD Advertising.

BONN, WEST GERMANY—The Ministry of Traffic awarded its new $8.5 million safe-driving campaign account to Borsch, Stengel & Partner, Frankfurt.

BARCELONA—Sanyo gave its first Spanish corporate ad campaign, worth $4.1 million, to Grey Trace here. Grey Trace already handles the Japanese marketer's Fisher stereo, audio equipment and microwave ovens.

BRUSSELS—Trois Suisses, Belgium's largest mail-order retailer, moved its $1.8 million account to HDM Dechy from HHD/Ogilvy & Mather.

LONDON—Halifax Building Society, a savings and loan, moved an estimated $15 million in business to BSB/Dorland from Brunning Advertising. Halifax media buying will be split between Saatchi &

(Continued on Page 60)

NBC ratings belly-flop forces ad make-goods

By VERNE GAY

NEW YORK—Poor ratings for the 1988 Summer Olympics telecasts are forcing NBC to give advertisers substantial "make-goods" on their commercial buys.

The low ratings are also creating a web of finger-pointing and excuses within and outside the network.

Ratings had fallen nearly 20% below guarantees at midweek last week. NBC reserved blocks of commercial time within the Olympics telecasts to pay back advertisers if ratings took a nosedive, but it's unclear how much make-good time is left.

The network acknowledged, however, that some advertisers would have to accept make-good commercials, paybacks for ratings underdelivery, in other network shows.

"Everybody's not going to be taken care of in the Games," said Bert Zeldin, VP-Olympic sales, who was at the Games in Seoul last week. "[But] nobody's panicked."

The seriousness of the make-good situation won't be fully known until the end of this week, when the Games conclude. But last week's poor showing suggests NBC will be hard-pressed to reach the 21.2 average Nielsen rating it promised advertisers.

Make-goods pose a problem for both network and advertiser. If audience underdelivery continues at current levels, NBC's projected $65 million profit on the Games will be wiped out.

Advertisers, some of whom bought time on NBC's telecast to culminate two-year promotional efforts, also will be hurt if their make-good spots are shunted into other

(Continued on Page 89)

Honda scoops the Air Force, revealing both of their stealthy models in a new spot.

A Prelude to Stealth

Honda '89 campaign ready for takeoff

By CLEVELAND HORTON

The TV commercial opens with a stark, ominous picture of the supersecret flying wing known as the Stealth bomber.

Various hoses start uncoupling and falling away from the craft as it slowly rolls out on a runway.

But as the voice of "Hill Street Blues" star Daniel J. Travanti tells viewers the U.S. government soon will be unveiling the Stealth, a sleek, black Honda Prelude Si pulls up under the aircraft.

"For the record," Mr. Travanti says, "we introduced ours first."

Yes, American Honda Motor Co. will give the U.S. Air Force a little advance (and unwanted?) publicity in the centerpiece TV spot of its estimated $140 million 1989 model year ad campaign.

The commercial, from Los Angeles agency Rubin Postaer & Associates, features an almost full-size mock-up—20 tons of mock-up!—of the B-2, as it's more officially known, constructed in the Mojave Desert by

(Continued on Page 90)

Execs see 'newsmagazine of the '90s'

'Time' revamp set

By PATRICK REILLY

NEW YORK—The Time Inc. mystery is solved. Or, at least, one Time Inc. mystery is solved.

The company, rocked in the past 10 days by rumors it was a takeover target or headed toward a major restructuring, is involved in neither, executives said.

Instead, its executives are preparing to unveil significant changes and additions to *Time*, the company's 65-year-old flagship publication.

Time, the nation's largest weekly newsmagazine, will introduce the changes in the Oct. 17 issue, on newsstands Oct. 10. While *Time* won't deviate from its traditional review of the week's news, some of the changes include several new departments, such as "Travel" and "Interview," a question-and-answer feature with leading personalities. At the same time, existing departments such as "Critic's Choice" and "People" will be expanded.

So significant are the changes in the newsweekly that Time Inc. executives, through an internal memo issued earlier this month, called a "drop everything" meeting of all *Time* salespeople and managers Sept. 27 here. At the meeting, Managing Editor Henry Muller will explain the changes to the staff.

The call for the meeting itself was reported in New York media and fueled rumors that a major management shake-up was coming at *Time* or that Time Inc. itself was restructuring. The speculation prompted wide stock fluctuations.

Staff photo by Doug Goldman

Henry Muller peruses *Time's* redesigned news pages.

While restructuring has been ruled out by top Time Inc. executives, it was clear from interviews with ADVERTISING AGE that they're eager to usher *Time* into a new era.

"It really is Henry Muller's vision of what the newsmagazine of the 1990s ought to be," said Reginald Brack, president of the Time Inc. Magazine Group. "It sweeps away the old vestiges of *Time*."

The changes are purely editorial, and Mr. Brack contended they weren't made specifically to appeal to advertisers. However, he expects a positive reception from the advertising community.

"New ad adjacencies could flow from this, but we aren't

(Continued on Page 92)

Campbell reheats 'M'm m'm good'

By JUDANN DAGNOLI

Campbell Soup Co., which has vowed "back-to-basics" marketing, is reviving one of its best-loved ad themes: "M'm m'm good."

The theme reappears this week after a decade-long hiatus and will be backed by a $10 million boost in ad spending.

The company's strategy is to emphasize equity in its established products and focus the bulk of its estimated $260 million budget on those lines, particularly canned and frozen foods.

Spending on the red-and-white label soups, Campbell's oldest and dearest product, is expected to get the biggest hike in ad spending, rising 20% from last year's estimated $50 million to $60 million for 1989. Backer Spielvogel Bates, New York, handles.

Research showed the "M'm m'm good" tag is so closely identified with Campbell that 74% of all adults remember it, said Jay Wissink, director of marketing for condensed soups.

The theme "means a lot more than taste; it's a feeling, it's emotional," Mr. Wissink said. He said it conveys the idea that "soup tastes good and makes you feel good" more succinctly than "Soup is good food," Campbell's most recent theme. That theme stressed the product's healthful qualities.

Another company source said reviving the theme was Campbell's idea and was strongly resisted by Backer, BBDO Worldwide created the "M'm m'm good" line.

The new national TV effort plays heavily on emotions,

Campbell Kids sing another chorus of "M'm m'm good."

showing slice-of-life vignettes.

The first spot shows a mother commiserating with her child's less-than-perfect grades by serving him alphabet soup. The child picks A's and B's out of his soup to show Mom he'll do better next time.

In other commercials for children's soups such as Chicken & Stars, Campbell is reviving another company icon—the Campbell Kids.

Themed "What kind of Campbell Kid are you?" the commercials use quick cuts, live action and animation to show children eating soup. The 30-second spots will run mainly on Saturday morning and late-afternoon programming.

"Kids are growth opportunity for soups," Mr. Wissink said, adding that the spots aim to communicate not just good taste but the fun and satisfying qualities of Campbell's soup.

The prepared-soup market has been flat for several years, a troubling fact for Campbell, which has 66% of that business. Despite Campbell's $30 million boost in spending in fiscal 1988, prepared-soup sales for the year ending July 1988 were up only slightly from 1987, by 5.1% to $1.85 billion.

Mr. Wissink said company studies indicate consumers have eight to 10 cans of Campbell soup in their cabinets at any given time. The new campaign strives to get consumers to dust them off and serve them.

Campbell is facing some hot competition from regional brands and private-label soups.

Progresso, now owned by Pet Inc., has been gaining share in its regional core markets, primarily in the East.

To combat competitors, Campbell is allocating a larger chunk of its regional marketing budget to soups.

"We'll be doing more aggressive advertising, more aggressive couponing and committing more to spot TV advertising this year than in the past," Mr. Wissink said. "There will be more local funds for regional brand sales managers to generate displays and feature activity."#

New Goodyear ads raise awareness

By SCOTT HUME

"Breakthrough creative," that much-discussed but rarely seen phenomenon, can appear in some unexpected product categories.

Tire advertising, for example.

Goodyear Tire & Rubber Co.'s advertising consistently has been the first- or second-best recalled in the tire category in ADVERTISING AGE's monthly adWatch survey. The "Goodyear, take me home" theme helped it gain very good top-of-mind awareness.

But last year, Goodyear changed agencies, shifting the account to Young & Rubicam's Detroit and New York offices from J. Walter Thompson USA, New York (AA, Nov. 23).

Y&R's first advertising for Goodyear is dramatically different from what the company—and its competitors—has done before.

Consumers have noticed the change, in a category that seldom arouses large-scale changes in ad awareness.

Last month, when the 1,000 adWatch survey respondents were asked to name the first tire advertising they recalled, Goodyear was named first by 27.5%. That was an increase of more than 5 percentage points from the 22.2% share of first mentions Goodyear got in the July survey.

Y&R's first advertising, which broke in July, focused on Goodyear's Certified Auto Services outlets. TV commercials pose a rapid series of questions about viewers' auto-service needs, interspersed with humorous scenes of motorists and their cars. The theme is "Nobody fits you like Goodyear."

That same theme and creative approach is used in Y&R's advertising specifically for Goodyear's tires. That advertising began Sept. 17 during NBC's Olympics telecast (AA, Sept. 12), after the August survey was taken.

Interestingly, in addition to being the best-recalled, Goodyear's was the only advertising among the top finishers that was better recalled by men than women.

Of the 275 respondents who named Goodyear first, 58% were men and 42% were women. For Michelin Tire Corp., which finished second with 184 mentions, the split was 41% male, 59% female. For third-place Firestone Tire & Rubber Co. (65 first mentions), the split was 37% male, 63% female.

Goodyear's advertising didn't break through enough to gain it a spot among the top 10, however. When respondents were asked to name the first advertising overall (regardless of category) that came to mind, the winners were, in descending order, Pepsi-Cola, Coca-Cola, the California Raisin Advisory Board, Anheuser-Busch's Budweiser/Bud Light, Ford, McDonald's, want ads/classifieds, Chevrolet, political ads and Procter & Gamble Co.'s Tide.

AdWatch is a joint project of AD AGE and SRI Research Center. Advertising awareness is measured by asking a nationally projectable sample to name the advertising that comes to mind first, both overall and in specific product categories.

Last month, 1,000 people were polled by phone. The survey has a margin of error of 3.1%.

Among other significant changes in the August survey:

- Apple Computer's advertising registered an increase in awareness in

(Continued on Page 92)

AdWatch survey of advertising awareness Top 10 in August

One thousand people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertisement first comes to mind? Source: SRI Research Center, Lincoln, Neb.

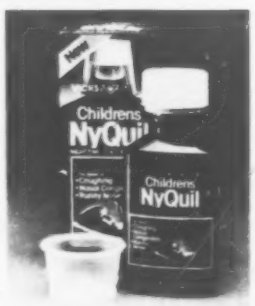
Rank 8/88	Rank 7/88	Advertiser	Agency
1	1	Pepsi-Cola	BBDO Worldwide
2	2	Coca-Cola	McCann-Erickson
3	3	California raisins	Foote, Cone & Belding
4	4	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles/DDB Needham Worldwide
5	6	Ford	J. Walter Thompson USA
6	5	McDonald's	Leo Burnett USA
7	—	Want ads/classifieds	Various
8	9	Chevrolet	Lintas:Campbell-Ewald
9	—	Political ads	Various
10	8	Tide	Saatchi & Saatchi DFS Compton

WHO GAVE KIDS A GOOD NyQUIL® SLEEP?

The same techniques that developed new Children's NyQuil for Vicks, Water Babies™ for Coppertone, The Magic Mushroom for Airwick, S.O.S Glassworks, Chiquita Orange-Banana Juice, put Baking Soda in more than 30 million refrigerators...can spell success for you.

Why is 70% of all our business *repeat business?*

- Our success rate;
- We're sensitive to your needs.



NEW CHILDREN'S NyQUIL: Who needs nighttime cold relief more than kids? Now the #1 name in night cold relief comes in a special kid's form.

We offer three different new product or re-staging programs. One is ideal for your needs.

To find out more, call or write Sonia Kallen (914) 631-8800. 55 South Broadway, Tarrytown, NY 10591.

Schoenfeld, Chapman & Pearl Inc.

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Call or write for the book 6 Stategies for Increasing Sales and Sample Slide-Charts for your industry.
No Cost or Obligation!

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800/323-4433
(outside IL)

AMERICAN Slide-Chart

P.O. Box 111
Wheaton, IL 60189

CORRECTIONS & CLARIFICATIONS

- The name of Art Karlan, associate publisher and ad director of *Newsweek*, was misspelled in a "Photo Review" caption (AA, Sept. 12, P. 94).
- In "Global Gallery," in the ad for Seagram's V.O. (AA, Sept. 12, P. 60), the creative director was Jay Jasper.
- The *New York Post* says it listed in a series of stories that ran in July all 229 grocery stores that failed the minimum requirements for New York state health inspections three consecutive times, and didn't single out stores that failed only by a point or two (AA, Sept. 5, P. 32).
- *Outside* was mistakenly identified as *Outdoor* in an article about ads that run upside down (AA, Sept. 12).#

Radio reps dance to new beat

Shakeups, growth, research woes stir unprecedented race for stations

By David J. Wallace

After crawling through a prolonged infancy, the Spanish radio rep business is learning to run before it walks. Having experienced growing pains caused by tremendous expansion—total Spanish-language radio market billings soared 102% in five years to $162.8 million last year, according to *Hispanic Business*—rep companies are gearing up for a new level of competition.

Spanish Broadcasting System triggered further upheaval in March when it pulled representation of its five stations in-house, eliminating the strongest outlets handled by Major Market Radio Sales/Espanol. Julio Omana, MMR's general manager, joined SBS to head up its fledgling network and MMR closed, starting a mad dash for MMR's other stations.

"Everybody scrambled for stations to fill out their lineups," says Gene Bryan, national sales manager, Katz Hispanic Radio, which was slugging it out with Caballero Radio Network and Lotus Hispanic Reps for the spun off stations.

Now SBS has joined the fray. "We're not actively pursuing it. I created it simply to rep my own stations because I couldn't consolidate them with any other firm [as a result of conflicts with existing lineups]. But we're finding out that other stations want to be aligned with us and we're talking to some in Texas and California," says Raul Alarcon Jr., SBS president.

With his stations' annual national sales of $8 million, he says the savings realized by cutting out the middleman are substantial.

Agencies are thrilled with the upheaval. The business, previously having been dominated by two companies, is now more evenly distributed among four players, says Meg Bernot, media director at Publicidad Siboney. "It is now more competitive in terms of both rates and services."

Radio station owners agree the wider choice of rep firms has improved services. "It has required all of them to do a better job," says Mac Tichenor, president of Tichenor Spanish Radio.

Part of that has been expanding stations' reach. This summer CRN affiliated with Interep Radio Networks, tapping into the latter's penetration into general-market advertising agencies.

"It's very important that they have a stronger general market presence," says Mr. Tichenor. "Eduardo [Caballero] has always been very good at marketing." But Katz provides stronger audience research and analysis, he says, adding that this area is the future battleground and explaining why his stations are repped by Katz.

Rick Kraushaar, president of Lotus Hispanic Reps, says Spanish radio cannot be bought by ratings because of book-to-book fluctuations and questions about the accuracy of audience measurement. More emphasis is placed on the strategy of Spanish radio instead of simply buying ratings, he says.

The radio industry currently is slogging through an internal debate on audience measurement. Early recommendations by the Spanish Radio Advisory Council were rejected by station owners (AA, April 25). The SRAC, composed of client companies, agencies and media, later was folded into an Advertising Research Foundation subcommittee.

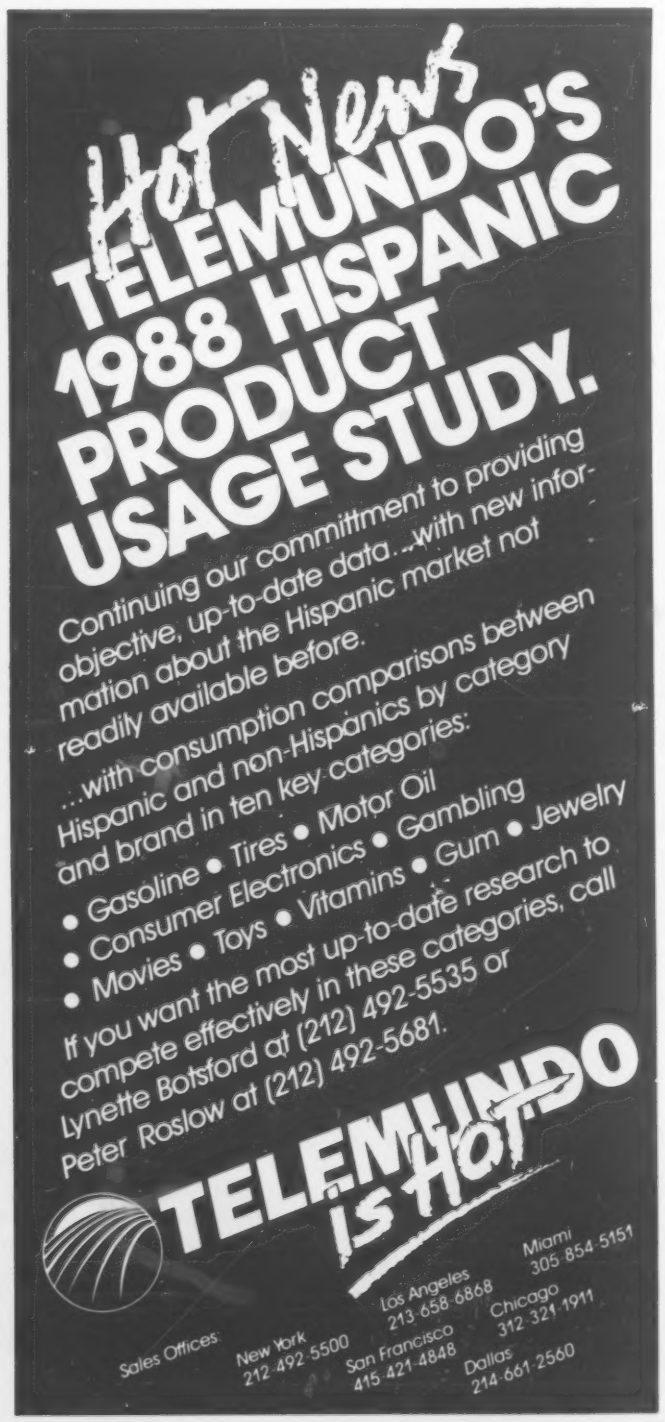
With the confused state of ratings research, most reps still focus on a concept sell.

The issue, however, remains whether clients will continue to buy the pitch. "Agencies are requiring more sophistication from radio sellers because clients are asking for that," says Mr. Bryan, adding that Katz will sell concept or numbers depending what works with a prospective client. "In Paris, you have to speak French."

Mr. Caballero describes Katz

(Continued on Page S-8)

David J. Wallace is a Ft. Lauderdale, Fla.-based ADVERTISING AGE *correspondent.*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FM format sets N.Y. abuzz

Alarcon eyes mostly Spanish-some English hybrid

The tongues were wagging in New York. What set them off was not that Raul Alarcon Jr. spent an estimated $55 million to $65 million to acquire WEVD-FM last month from Forward Association, but speculation concerning the programming format New York's first Spanish-language FM station would adopt.

"The biggest rumor was that it would be a bilingual station, Spanish jocks with 50-50 English-Spanish music, a Contemporary Hit Radio/Spanish hybrid," says Gene Bryan, national sales manager, Katz Hispanic Radio.

New York seems to be the ideal place to test this format: A number of stations in Puerto Rico experiment with it, and 45% of New York Hispanics are Puerto Rican.

"I've heard the whole gamut of speculation," says Mr. Alarcon, president of Spanish Broadcasting System. He lays the rumors to rest by defining the format as a less Anglicized version of Mr. Bryan's description. "We'll have a sprinkling of English-language artists, maybe one or two numbers per hour."

As its name suggests, the CHR/Spanish hybrid is both English and Spanish-language media.

"The beauty of this is you can position the station against Spanish dollars and English dollars," says Mr. Bryan, noting that New York stations WHTZ-FM and WQHT-FM and Los Angeles outlets KIIS-FM and KPWR-FM pitch this crossover segment. But they do so from an English-language perspective, which has caused them problems at Hispanic agencies *(See story on S-13).*

"Doing it all in Spanish from an Hispanic agency's point of view is the format to use. Not so much for logistical reasons but that Spanish-dominant Hispanics are the group we want to address," says Font & Vaamonde Associates Exec VP Rochelle Newman, who questions Hispanic media focusing on English-language music and videos when they are readily available on general-market

(Continued on Page S-8)

DATABANK

English stations speak Hispanic teens' language

Top stations among Hispanics, average quarter hour share, Monday-Sunday, 6 a.m. to 12 a.m. (broadcast language in parentheses)

	Adults 18+		Teens 12 to 17
Los Angeles			
1. KPWR-FM (E)	15.5	1. KPWR-FM (E)	46.6
2. KIIS-FM (E)	9.8	2. KROQ-FM (E)	12.2
3. KTNQ-AM (S)	7.9	3. KIIS-FM (E)	11.1
New York			
1. WQHT-FM (E)	9.3	1. WHTZ-FM (E)	28.2
2. WADO-AM (S)	8.8	2. WQHT-FM (E)	27.8
3. WSKQ-AM (S)	8.2	3. WBLS-FM (E)	9.9
Miami			
1. WQBA-AM (S)	14.9	1. WPOW-FM (E)	54.4
2. WCMQ-FM (S)	12.2	2. WHQT-FM (E)	14.1
3. WPOW-FM (E)	8.8	3. WHYI-FM (E)	12.8
San Antonio			
1. KCOR-AM (S)	12.9	1. KITY-FM (E)	47.6
2. KTFM-FM (E)	12.2	2. KISS-FM (E)	22.0
3. KISS-FM (E)	8.8	3. KTFM-FM (E)	11.6
San Francisco			
1. KMEL-FM (E)	10.6	1. KMEL-FM (E)	42.0
2. KSOL-FM (E)	9.5	2. KSOL-FM (E)	19.9
3. KBRG-FM (S)	3.8	3. KWSS-FM (E)	6.6
Chicago			
1. WIND-AM (S)	11.7	1. WBMX-FM (E)	23.0
2. WOJO-FM (S)	10.5	2. WBBM-FM (E)	21.5
3. WBBM-FM (E)	8.9	3. WYTZ-FM (E)	20.7

Note: Estimates adjusted for actual broadcast schedules

Source: Birch Radio Ratings, Sept. 1987 to Feb. 1988 Target Market Reports, Hispanic Audience Estimates

Miami makin' waves

'Prototype of future Hispanic radio market' at point where it's 'easier to reach than Anglo market'

By David J. Wallace

The following is a test of the Spanish radio free market system. This is only a test.

With nine Spanish-language radio stations in south Florida, advertising and radio executives are wondering if the market has a ceiling. Currently, six AM and three FM Spanish-language stations are spread across the dial, more than in any other U.S. Hispanic market. At press time, WWFE-AM was expected to start by month's end, bringing the total to 10.

"Miami is a prototype of the future Hispanic radio market. You have a few properties that are the top dogs and then the others that are surviving on only a local level," says Gene Bryan, national sales manager, Katz Hispanic Radio. "L.A. is following [with seven stations], New York is coming closer now that the new [WEVD-FM] is joining." San Antonio with six stations and San Francisco with five also rank among rapidly maturing radio markets, he says.

George Hyde, general manager of WQBA (AM/FM), Miami, says he thought the local Spanish radio market might have been saturated six years ago when he first came to Miami. But the market has kept pace, with south Florida's

Hispanic population growing 33.3% since 1980 to 949,000.

But that figure falls far below the Hispanic populations of Los Angeles and New York, leading to questions of whether Miami's audience can support all of the stations.

Most Spanish-language radio executives say all major Hispanic markets could support more stations. In comparing non-Hispanic population figures and the number of general-market stations with Hispanic population totals and Spanish-language stations, it appears the Hispanic radio market is underpenetrated. For example, 32 English-language stations serve south Florida.

But the logic stumbles when advertising revenue is the yardstick. Although WQBA—when its AM and FM ad dollars are combined—is the market's No. 1 station with $8 million in ad revenue, it is the only Spanish-language operation to rank among the Top 6, according to "The James Duncan Radio Report." Gross ad revenues among Spanish stations are estimated to be about 25% of the local radio market's total.

As the Spanish-language station count increases, the radio dollars spent in each market become crucial. *Hispanic Business* estimates that in 1987 Los Angeles' seven Spanish-language radio stations shared $31.5 million in ad revenues, Miami's nine outlets attracted $28 million and New York's four pulled $20 million.

Radio executives say Miami's situation is unique, citing area Hispanics' high median income, greater interest and involvement in local and international affairs and thriving business-oriented economy.

"The answer is simple: There's good money going into Miami," says Mr. Bryan. Spanish-language stations can compete directly with general-market outlets in both Miami and San Antonio, where Spanish-language outlets rank in the markets' top five, he says.

Between 25% to 30% of all national radio ad dollars spent in Miami end up in Spanish radio, Mr. Bryan says. "And the top three station groups are taking most of those. The others are surviving on local dollars."

South Florida's promotion-oriented small business community provides an ample source of local ad dollars, says Mr. Hyde. "Nobody at Libby's or Del Monte got rich because of gross ratings points. The question is, 'Do we make the cash register ring?' "

News/talk formats attract audiences to the AM band, primarily because of the exile experience, Mr. Hyde says. Recently arrived Cuban and Nicaraguan refugees closely monitor events in their former countries. Controversial radio talk show hosts, such as WQBA-AM's Tomas Garcia Fuste, develop strong audience loyalty.

But Herbert Levin, senior VP at WADO-AM, New York, and a Miami radio market veteran, questions whether increasingly specialized programming can attract necessary ad support. "The market is too fragmented. Frankly, I think it's overbuilt," he says.

Format specialization to reach Hispanic subgroups reflects general-market radio fragmentation, says Dick Kelsey, director-media and mar-

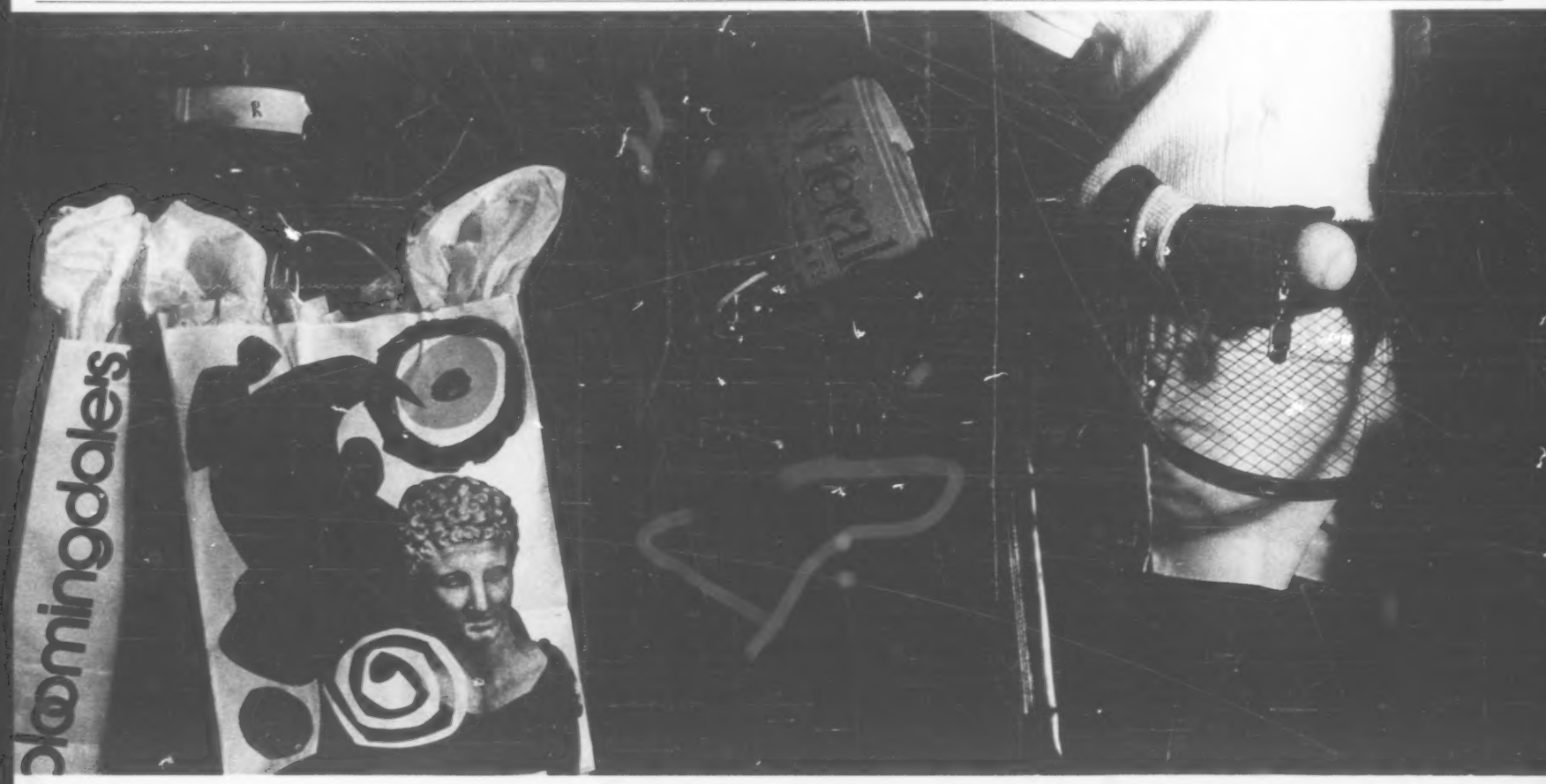
DATA BANK

Top 3 command top dollar

1987 Hispanic media expenditures

Market	($000,000)	% change from '86
1. Los Angeles	$103.0	226.4%
2. Miami	81.3	18.9
3. New York	66.7	3.4
4. Chicago	28.0	47.4
5. San Francisco	18.9	26.0
6. San Antonio	18.0	12.5
7. San Diego	10.2	27.5
8. Phoenix	9.2	31.4
9. El Paso	8.0	14.3
10. Fresno	7.5	15.4

Source: *Hispanic Business*



Networks battle for the sexes

Little to attract 18-34 male targets, buyers complain

By Kristine Stiven

A demographics dilemma is retarding the ad growth of Spanish-language broadcasters Telemundo Group and Univision Network.

"There's virtually no programming out there for men, and there's nothing for young people," says Eileen McKnight, Tatham-Laird & Kudner's group media director/Procter & Gamble. "If you've got an 18-34 *[male]* target there's nothing for you to buy."

Current programming is skewed too heavily to women, claim agency executives, adding that a wider variety of advertisers will not embrace Spanish TV without more diverse programming that targets other demographic categories.

"We need more opportunities for them to reach their audience," says Laura Marella, media director, Casanova, Pendrill Publicidad. "For the taste of some of my clients, programming is a bit skewed towards *novelas*, and therefore the women's market."

Henry Silverman, Telemundo's president-ceo, admits the predominance of *novelas* is seen as a big problem, "although more men watch them than you'd think . . . We're reworking our programming to bring in different groups."

Telemundo will debut a Friday night boxing package Oct. 14 to attract men. To broaden its programming's appeal, first-run Spanish-language motion pictures will join the line-up through a joint agreement between Telemundo and Million Dollar Video, which imports the films from Mexico.

The new Spanish TV season finds Univision running twice as many *novelas* as Telemundo, a disparity Mr Silverman hastens to point out. "Our [new U.S.-produced] *novela* stands alone. We're not diluting it by putting it between seven others."

Rosita Peru, Univision's VP-

(Continued on Page S-16)

DATA BANK

No tears shed over *novelas'* showing

*Top 10 network programs among Hispanic households**

Show	Format	Rating
1. "Sabado Gigante"	game/variety	37
2. "Rosa Salvaje"	novela	36
3. "Quincenera/Contigo"	novela	34
4. "Noticiero Univision"	news	29
5. "Siempre en Domingo"	variety	27
6. "Tal Como Somos"	novela	26
7. Cinevision	movie	22
8. "Chespirito"	comedy	18
9. "Topacio"	novela	15
10. "Noticiero Univision Edicion Nocturna"	news	14
"Topo Gigio"	variety/comedy	14
"En el Deporte"	sports	14

*All programs in Top 10 aired on Univision Network. Study also included Telemundo Group, ABC, CBS and NBC programming.
Source: Strategy Research Corp. Television Audience Estimates, April 23 to May 20, 1988

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Language

(Continued from Page S-13)

The client's interest should come first."

English media reps say Hispanic agencies are afraid they will lose their budgets to the general-market agency if they recommend an English-language buy.

Nancy Tellet, VP-media director at Conill Advertising, says that is not a big concern and that most agencies recognize crossover media plays a role. "If you want to reach all Hispanics, that should be part of a buy." But she says that crossover buys currently are considered part of a general-market buy.

Hispanic agencies need to reposition themselves as segment specialists, serving the same function as black market agencies, says Gene Bryan, national sales manager, Katz Hispanic Radio. "Then they could go in and tap general-market budgets."

That scenario pits them against the general-market shop, however. And it is unlikely clients will increase budgets to buy crossover media, says Meg Bernot, media director at Publicidad Siboney.

Although 95% of Hispanic agencies' time is spent on Spanish-language business, they should explore any alternative to position themselves for the inevitable growth of the bilingual, bicultural segment, says Carl Kravetz, VP-general manager, Ferrer/Ad America. "Forward-thinking agencies see they have to do a good job in both languages."

In handling an English-language, Hispanic-oriented spot for client McDonald's Operators Associations' San Francisco/San Jose Region, Ferrer solved the agency problem—"primarily a semantics issue," says Mr. Kravetz—by focusing on its area of expertise in planning Hispanic creative. General-market shop DJMC placed the media, "which it could do much more efficiently than we could."

The issues of media efficiency and rate cards haunt English-language radio broadcasters that pitch Hispanic agencies. "Spanish-language media is comparatively very cost efficient at reaching an Hispanic target," says Ms. Tellet.

Ms. Greenspan admits that spots on WQHT probably cost about three times more than those on New York's top Spanish-language stations. According to Birch/Scarborough Research, WQHT has a 27.8 share of average quarter hour Hispanic listeners age 12 to 17, however; WADO has a less than 0.1 share.

"If they talk in terms of efficiencies against a specific Hispanic segment, we're very competitive," she says.

—Ed Fitch

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Hispanic hits elusive for Big 3 networks

But potential is so attractive they may keep trying

CBS' "Trial and Error," as it turns out, was largely a trial and an error. The network ran only a few episodes of the sitcom, which starred two Hispanic actors, before yanking it.

The show typifies the Big 3 networks' attempts to reach Hispanics. ABC canned the drama series "Juarez" before it hit the air; another sitcom, ABC's "I Married Dora," also was short lived.

But Spanish-language media should not snicker at the networks' attempts, says Meg Bernot, media director, Publicidad Siboney.

"It would be naive to think that there aren't general-market media executives out there planning for ways to counter the need for Spanish-language media, whether its programming, audience numbers or studies of advertising effectiveness," she says. NBC's Spanish-language network promos are a result of the networks' realizing the market's potential, she says.

Barbara Corday, exec VP-prime-time programs, CBS Entertainment, says the network is interested in creating a "Hispanic-based show similar to the way you'd say a 'black' show. I think we will probably look to have more Hispanic characters in our shows."

The shows need to reach a higher level, however, says Ms. Bernot, adding that networks' attempts have been reminiscent of early comedies featuring black characters. "They were made for white audiences; it was whites laughing, not the blacks."

Doug Alligood, VP-special markets at BBDO, says the networks will have to replicate the "Bill Cosby situation," where Hispanics have executive and creative control. Currently, no Hispanics are in those positions, he says.

While Mr. Alligood says the Spanish-language networks have to be aware that children are growing up on the high production values of general-market TV, the Big 3, which have to program for the mainstream, will have a difficult time addressing the Hispanic market's nationalities. "They have a tough row to hoe. If they cast a Puerto Rican as a Mexican, they'd have some real problems," he says.

However, the networks have to create more crossover appeal because they will need the numbers, Mr. Alligood says.

"Ratings certainly are an issue," says Ms. Corday.

But she also says the networks philosophically need to represent and accurately mirror every population segment.

"It may not add 10 rating points to a show, but it is our responsibility as broadcasters to represent the world as it exists," she says.

Although the pie still is too small to grab their attention, the Big 3 will come out with some shows that work, says Browning Holcombe, senior VP, director-sales and marketing, Univision Network. "But until they do them in Spanish, they will fall short."

To prove the point, Joaquin Blaya, Univision's president-ceo, says Paul Rodriguez, one of "Trial and Error's" principal actors, is doing a Univision special.

"He said he had to do it because his mother didn't think he had a real job until he did a program with us."

—Ed Fitch, with Wayne Walley

DATABANK

Who's the boss? . . . Cosby

Top prime-time English-language TV shows (Hispanic household ratings)

	Source	Rating
1.	"The Cosby Show"	29.9
2.	"Who's the Boss?"	23.9
3.	"A Different World"	23.3
4.	"Growing Pains"	23.0
5.	"Cheers"	19.9
6.	"Golden Girls"	18.5
7.	"Moonlighting"	18.0
8.	"ALF"	17.9
9.	"Night Court"	17.2
10.	"Family Ties"	15.4
	"Miami Vice"	15.4

Source: BBDO Worldwide from A.C. Nielsen Co. local market ratings

Rates low?

(Continued from Page S-21)

spot on a New York Spanish-language radio station for $45, while a general-market buy would cost up to 10 times as much, says Raul Alarcon Jr., president, Spanish Broadcasting System.

"They have to realize they will have to pay more," he adds. Mr. Alarcon hopes to get $500 for a 60-second spot on his new AM/FM combination.

Advertisers buy at bargain rates because they—not the media—bargain from a position of strength. Advertisers and agencies are taking advantage of a surplus of commercial time inventory, Mr. Silverman says.

"There will be significant price increases when occupancy increases," he points out. Telemundo's occupancy has increased from 40% two years ago to 60% in 1988.

"At that pace we'll be at 90% in three years and that's when we'll push the rates," says Mr. Silverman, adding that the network has raised rates 10% to 15% annually.

Tichenor Spanish Radio is analyzing specific dayparts and raising rates accordingly, because its stations' inventories are sold out at specific times.

But Mac Tichenor, TSR president, says unsold inventory is not the sole reason rates remain static. "You are tied to what the rates were last year."

Agencies might agree a market is underpriced, but will contest percentage increases. "We've gone into markets that were underpriced and found a 25% or more increase warranted, and they scream bloody murder," Mr. Tichenor says.

Although he could justify a 100% rate increase on some of Telemundo's programs, Mr. Silverman says to do so would be to invite marketplace suicide. "We can't go in and say that $5,000 spot is now $10,000. They'd tell us to stuff it," he says.

Bill Grimes, president-ceo, Univision Holdings, says attractive percentage increases were the key to raising commercial rates while he steered ESPN toward greater profitability.

"We can raise prices aggressively and still deliver better CPMs. But it won't get pushed to parity tomorrow. Pigs can get fat, but hogs can get slaughtered," he says.

—Ed Fitch

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Language debaters fluent in defense

By Marie Spadoni

Hispanic media executives are far from tongue-tied in an expanding battle over primary language in print.

The emergence of English-language print media as a viable Hispanic marketing tool has clearly created a rift in the ranks. Those print media executives selecting English as the language of choice see it as the only way to go. Their Spanish-language brethren admit it may have a role—albeit a minor one.

"What makes an Hispanic an Hispanic is the language. That is where the word 'Hispanic' comes from," says Enrique Perez, advertising director of the Spanish-language *Diario las Americas*. "If you are of Hispanic origin and English becomes your realm, you are no longer truly an Hispanic."

Those are fighting words to people like Alfredo Estrada, publisher of English-language monthly *Hispanic*, which launched in April. "To get ahead in the U.S. market, you need to speak English. I believe it is the wave of the future."

Both stances have merit, leading Whittle Communications to carefully analyze the best approach, says Ashley Shoemaker, marketing director. Whittle is considering launching an Hispanic-oriented publication but has not decided whether to use English or Spanish.

"There are lots of issues [involved]. Most of the population growth is still coming from [immigrants] who are not primarily speaking English. But logic tells you that people who are brought up in our school system are going to be very comfortable with English," he says.

So far, Mr. Shoemaker adds, it "seems like most people flip a coin to decide which language. We hope to take a more reasoned approach."

The growing number of second and third generation U.S. Hispanics has fueled the English-language print movement. Another factor is the success of *Vista*, a 3-year-old, English-language Hispanic-oriented newspaper supplement and the first Hispanic publication to hit 1 million circulation. This month the supplement, distributed free inside 28 English-language newspapers to more than 1.2 million households in Hispanic areas, increased its frequency from monthly to weekly.

Although specialized English-language publications

(Continued on Page S-24)

DATA BANK

Broadcasters tune in ad revenue

Hispanic media expenditures ($000,000)

Medium	1987	1986	1985	1984	1983
1. Spot TV	$118.5	$78.0	$65.0	$50.0	$40.5
2. Spot radio	114.0	83.2	76.0	65.0	50.0
3. Network TV	106.0	64.0	35.0	48.0	40.5
4. Network radio	48.8	46.8	42.0	35.0	30.5
5. Print	47.3	33.2	33.0	31.0	25.0
6. Promotions	39.5	35.0	30.0	25.0	20.0
7. Outdoor	14.4	12.0	9.0	7.0	6.0
8. Transit	4.2	3.5	3.0	2.5	2.2
Total	490.7	356.8	333.5	284.5	234.4

Source: *Hispanic Business*

(Continued from Page S-19)

and we run the Spanish version, we lock out those people who don't speak Spanish," he says.

As the concept of English-media-for-Hispanic-audiences expands, advertisers are weighing available vehicles against more traditional Spanish-language buys. The onus is on the programmers to deliver audience numbers.

"There are a lot of shows like this popping up. But because of limited budgets for Hispanic media, there aren't a lot of advertisers who can afford to experiment," says one agency media executive. "We met with [World Television], but they were still very fuzzy about their numbers and how they would validate the audience. We can't spend the money just because it's a 'new, special show.' "

Diane Librizzi, Bravo account exec at World Television, contends the show's format allows for creative selling. "When we go to an Hispanic agency we pitch the Spanish-language version, but tell them we'd like to be a part of their general-market efforts.

"Then we approach clients who are new to the market and see it as a high-visibility maneuver into the marketplace," says Ms. Librizzi, claiming the show is near "closing some big business."

The show is sold on a cash-barter basis where syndicating stations buy Bravo and an accompanying three minutes of national advertising. Another three minutes of spot time must be sold by the station. "It's a 50-50 split, a pretty standard sell," says Ms. Fortuin.

Carlos Sabatino, World president, says his goal was to clear 95% of U.S. Hispanic households by yearend, and is guaranteeing 80% coverage in the fourth quarter. "We still think the figure is realistic."

Ms. Galan, who created the show, says the work is hard but rewarding. "Every time you see another market come on it's like having another baby. My family is getting pretty big."

—*Kristine Stiven*

MAXWELL'S MARKET SHARES

Marketers milk cold-cereal sales

By JOHN C. MAXWELL JR.

Health-conscious U.S. consumers are pouring record amounts of cold cereal into their bowls, as marketers capitalize on interest in high-fiber, low-fat diets.

The cold-cereal industry saw another record year in 1987, with volume up 3.9% to 2.37 billion pounds. In dollars, the market was up 8.9% to $5.3 billion.

It's expected that unit volume this year will grow 3% to 4% again, and the market in dollars should be up at least another 9%.

The industry took a 5% price increase toward the end of 1987, and another 5.5% price hike was added last July.

The main growth areas in 1987 were family products and adult products. Kellogg Co. pretty much maintained share and is now moving ahead, led by such new products as Mueslix and Pro Grain, as well as some additions to the fruit-filled biscuit line.

General Mills lost some share but is now aggressively backing its overall portfolio with share probably up 0.5 to 1 percentage point compared with all of 1987.

The company entered the hot oatmeal area in September 1987, and that segment has grown 15% to 20% in units. New items in that segment are expected this fall. General Mills has 7% of the overall market, and 13% to 14% of the instant portion.

General Foods Corp., which had about maintained share last year, is starting to see its share erode again, at least half a point so far. Quaker Oats Co., which saw some nice share increases last year, is relatively flat now and is spending more than $40 million to maintain its market position in the hot cereal category against General Mills.

The other company that appears to be losing share overall is Ralston Purina Co., as some of the fad (licensed) cereals weaken along with Chex. However, Ralston's private-label group appears to still be moving up.

Nabisco Brands has recently introduced Frosted Wheat Squares. Initial acceptance is positive.

New products such as Fruit Wheats have been extremely well accepted, and Nabisco is going through aggressive capital spending to expand production capacity. #

Mr. Maxwell is with Wheat First Securities, Richmond, Va.

Cold cereal market shares

Brand	1985 Lbs.	1985 $$	1986 Lbs.	1986 $$	1987 Lbs.	1987 $$
Kellogg						
Corn Flakes	6.7%	4.5%	6.6%	4.5%	6.3%	4.2%
Frosted Flakes	6.0	5.7	6.0	5.7	5.9	5.5
Raisin Bran	4.7	4.3	4.5	4.1	4.3	3.7
Rice Krispies	3.8	4.2	3.6	4.0	3.6	3.8
Bran products	3.5	2.8	3.5	2.8	3.5	2.8
Fruit Loops	2.3	3.0	2.4	3.2	2.3	2.9
Frosted Mini-Wheats	2.0	2.0	2.0	2.1	2.2	2.1
Nutri-Grain	1.2	1.1	1.5	1.1	1.7	1.8
Special K	1.5	2.0	1.4	1.9	1.6	2.0
Apple Jacks	1.1	1.5	1.2	1.6	1.1	1.5
Sugar Smacks	1.1	1.2	1.2	1.3	1.0	1.0
Crispix	1.0	1.0	1.0	1.0	1.0	1.2
Sugar Pops	1.1	1.2	1.0	1.1	0.9	1.1
Product 19	0.9	1.1	0.9	1.1	0.8	1.0
Raisin Squares	0.6	0.6	0.9	1.0	0.8	0.8
Just Right	0.3	0.3	0.9	0.9	0.8	1.0
Cocoa Krispies	0.6	0.8	0.7	0.9	0.6	0.8
Cracklin Oat Bran	0.4	0.3	0.3	0.4	0.5	0.6
Fruitful Bran	0.6	0.5	0.9	1.0	0.4	0.4
Apple Raisin Crisp	0.4	0.5	0.4	0.5	0.4	0.4
Fruity Marshmallow Krispies	—	—	—	—	0.4	0.4
Cinnamon Squares	—	—	0.2	0.2	0.3	0.5
Strawberry Squares	—	—	—	—	0.3	0.3
Pro Grain	—	—	—	—	0.2	0.2
Frosted Rice	0.3	0.3	0.2	0.2	0.2	0.2
Mueslix	—	—	—	—	0.2	0.3
Nutrific Oatmeal Flakes	—	—	—	—	0.1	0.2
Honey Nut Corn Flakes	0.3	0.4	0.3	0.4	—	—
Marshmallow Krispies	0.3	0.4	0.3	0.4	—	—
O.J.	0.4	0.4	—	—	—	—
Others	1.3	1.5	0.7	0.6	1.1	1.3
Total	42.4	41.6	42.6	42.0	42.5	42.0
General Mills						
Cheerios	5.0	5.2	4.9	5.1	4.6	4.9
Honey Nut Cheerios	2.8	3.1	2.9	3.2	2.9	3.2
Total	2.1	2.5	2.1	2.5	2.1	2.6
Wheaties	1.8	1.5	1.6	1.4	1.6	1.4
Lucky Charms	1.7	2.1	1.7	2.1	1.5	1.8
Trix	1.5	1.9	1.4	1.8	1.1	1.5
Golden Grahams	1.2	1.2	1.0	1.1	1.0	1.1
Raisin Nut Bran	—	—	0.6	0.7	1.0	1.0
Crispy Wheats 'n Raisins	0.8	1.0	0.7	0.9	0.6	0.7
Cinnamon Toast Crunch	0.7	0.8	0.6	0.7	0.6	0.7
Cocoa Puffs	0.6	0.8	0.6	0.8	0.6	0.8
Kix	0.6	0.8	0.6	0.8	0.6	0.8
Fiber One	0.4	0.3	0.5	0.4	0.4	0.4
Monsters, etc.	0.6	0.8	0.5	0.7	0.4	0.6
Oatmeal Raisin Crisp	—	—	—	—	0.4	0.4
S'Mores	0.4	0.5	0.4	0.5	0.3	0.3
Circus Fun	—	—	0.4	0.4	0.3	0.4
Clusters	—	—	—	—	0.2	0.2
Rocky Road	—	—	0.4	0.5	0.1	0.2
Buc Wheats	0.2	0.3	0.1	0.1	0.1	0.1
Licensed products	0.3	0.5	—	—	—	—
Others	0.2	0.4	0.2	0.4	0.3	0.5
Total	20.9	23.7	21.2	24.1	20.7	23.6
General Foods						
Grape-Nuts	2.4	1.8	2.3	1.7	2.6	1.8
Raisin Bran	2.6	2.0	2.5	2.0	2.5	2.2
Pebbles	1.2	1.3	1.4	1.5	1.5	1.9
Fruit & Fibre	1.6	1.7	1.5	1.6	1.4	1.4
Super Golden Crisp	1.2	1.2	1.1	1.1	1.1	1.1
40% Bran Flakes	0.9	0.9	0.8	0.8	0.8	0.7
Honeycomb	0.8	0.9	0.7	0.8	0.8	0.9
General Foods						
Post Toasties	0.8%	0.6%	0.8%	0.6%	0.7%	0.5%
Alpha-Bits	0.6	0.7	0.5	0.6	0.5	0.7
Crispy Critters	—	—	—	—	0.3	0.3
Raisin Grapenuts	0.4	0.4	0.3	0.3	0.2	0.2
Horizon Trail Mix	—	—	0.2	0.2	0.1	0.1
Smurfberry	0.2	0.3	0.1	0.2	0.1	0.1
CW Post	0.1	0.1	0.1	0.1	0.1	0.1
Fortified & Oat Flakes	0.3	0.3	0.4	0.4	—	—
Honey-Nut Crunch Raisin	0.1	0.1	—	—	—	—
Others	0.1	0.1	0.1	0.1	0.1	0.1
Total	13.3	12.4	12.8	12.0	12.8	12.1
Quaker Oats						
Cap'n Crunch	2.6	3.1	2.6	3.1	2.9	3.2
Life	2.0	1.9	1.8	1.7	1.5	1.4
100% Natural	1.5	1.4	1.3	1.2	1.2	1.1
Oh's	—	—	0.5	0.6	0.9	1.0
Quaker Oat Squares	—	—	—	—	0.7	0.6
Crunchy Bran	0.6	0.6	0.6	0.6	0.5	0.5
Others	0.6	0.7	0.3	0.2	0.1	0.1
Total	7.3	7.7	7.1	7.4	7.8	7.9
Ralston Purina						
Chex	3.6	3.7	3.4	3.5	3.6	3.6
Almond Delight	—	—	0.7	0.7	0.7	0.7
Cookie-Crisp	0.5	0.7	0.5	0.7	0.4	0.6
Sun Flakes	0.6	0.5	0.5	0.4	0.2	0.2
Fruit Islands	—	—	—	—	0.2	0.3
Ghost Busters	—	—	0.4	0.4	0.1	0.2
Nerds	—	—	0.3	0.4	0.1	0.2
Rainbow Brite	0.4	0.5	0.1	0.1	—	—
Freakies	—	—	—	—	0.1	0.2
Others	0.7	0.8	—	—	0.1	0.1
Total	5.8	6.2	5.9	6.2	5.5	6.1
Nabisco						
Shredded Wheat	4.0	3.5	4.1	3.6	3.9	3.6
Fruit Wheats	—	—	—	—	0.7	0.7
100% Bran	—	—	—	—	0.5	0.4
Others	0.9	0.9	0.9	0.9	0.2	0.2
Total	4.9	4.4	5.0	4.5	5.3	4.9
All Others	5.4	4.0	5.4	3.8	5.4	3.4
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

Source: John C. Maxwell Jr.

Cold cereal's top 10

Brand	1986 Pounds	1986 Dollars	1987 Pounds	1987 Dollars
Corn Flakes (K)	6.6%	4.5%	6.3%	4.2%
Frosted Flakes (K)	6.0	5.7	5.9	5.5
Cheerios (GM)	4.9	5.1	4.6	4.9
Raisin Bran (K)	4.5	4.1	4.3	3.7
Shredded Wheat (Nab)	4.1	3.6	3.9	3.6
Chex (Ral)	3.4	3.5	3.6	3.6
Rice Krispies (K)	3.6	4.0	3.6	3.8
Bran Products (K)	3.5	2.8	3.5	2.8
Honey Nut Cheerios (GM)	2.9	3.2	2.9	3.2
Cap'n Crunch (Oat)	2.6	3.1	2.9	3.2
Total	42.1	39.6	41.5	38.5

Source: John C. Maxwell Jr.

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Food brokers back regional moves

WASHINGTON—The nation's food brokers want to work with food manufacturers to create regionalized ad and promotion programs, but they worry about increased costs.

That's among the key conclusions of a survey of attitudes toward regional marketing commissioned by the National Food Brokers Association.

More than half (54%) of the food manufacturers responding to questionnaires said they've implemented regional marketing programs (promotion and/or advertising efforts tailored to local market needs); another 12% say they plan to do so in the near future.

Regional marketing activity is most common in dry groceries and frozen foods. More than three-fourths of the brokers responding (78%) said they've encountered regional marketing efforts for dry groceries; 71% said the same of frozen foods.

Health & beauty aids came in third, at 26%.

Dechert-Hampe & Co., a Chicago-based sales and marketing company, handled the survey, mailing questionnaires to 250 food brokers (who function as a bridge between manufacturers and retailers) and

(Continued on Page 66)

Lotteries sell luck at home

By LAURO LORO

The odds that couch potatoes can get rich are growing.

By mid-1989 the Pennsylvania Lottery will decide whether to become the eighth state lottery to introduce subscription service.

A subscription provides players automatic weekly entry of the same numbers for six months or a year. Cost of a subscription ranges from $50 to $100, depending on the state, subscription length and amount bet.

Of the 29 states with lotteries, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New York and Vermont have subscription service, said Terri La Fleur, senior editor, *Gaming & Wagering Business*. Subscription sales account for 3% or less of total sales in each state, she said.

The Pennsylvania lottery reported 1987 sales of $1.4 billion, up 7.5% from a year earlier. Lewis, Gilman & Kynett, Philadelphia, handles the $8.9 million account.

Subscription service "guarantees someone has bought the product and will continue to buy it and [most often will] automatically renew that subscription, because they've had the numbers for quite a while and don't want to give them up," said Frances McDonnell, PR manager of the Massachusetts State Lottery.

The New York Lottery expects 1988 subscription revenues of $17.5 million, slightly more than 1% of total revenues of $1.6 billion. Michigan's subscriptions account for about 1% of total sales, projected at $1.15 billion for fiscal 1988. Subscriptions in New Hampshire accounted for about 3% of fiscal 1987 revenues of $75 million.

While states see subscription service as a convenience serving a small pool of players, it once was used to draw out-of-state players. But in 1985, the U.S. Postal Service prohibited interstate lottery sales via mail. Other federal statutes also regulate interstate lottery sales. "That has crushed the business," Ms. La Fleur said.

Still, these programs enable lotteries to find new players and markets, said Mel Nasielski, exec VP, Allan & Nasielski, Philadelphia. The ad agency, specializing in direct mail, is preparing a proposal for Pennsylvania.

Using their own data, lotteries can find prospective players by comparing the demographics of strong sales areas, such as inner-city neighborhoods, with those of areas similar in demographics but weak in sales, he said.

Direct-mail subscription also can introduce new games to heavy players, as well as target upscale players who are too busy to wait in line or too embarrassed to admit they play, Mr. Nasielski said.

Tri-State Megabucks, the joint lottery of Maine, New Hampshire and Vermont, promotes its Season Pass subscription as a Christmas gift, using spokesman Robin Leach. Pick Three Ltd., Brattleboro, Vt., handles Tri-State's $3 million account.

While most states don't spend much promoting subscriptions, heavier, year-round investing in direct mail could boost subscription sales to 4% to 5% of total sales, Ms. La Fleur said.

Subscription is just the beginning of lottery direct marketing, Ms. La Fleur said. Ticket sales via automated teller machines and in-home sales via interactive TV and telephone are on the horizon. For example, New Hampshire sells subscriptions over the phone; players pay with a credit card. The California State Lottery is considering phone sales and other distribution, said Jim Barnett, executive director.

Out-of-state players also can buy New Hampshire subscriptions. The lottery sends information by United Parcel Service rather than the postal service. However, a U.S. Department of Justice spokesman said that such interstate sales are illegal under federal statutes governing lotteries. But the Justice Department hasn't brought any cases against state lotteries for that practice.

Rick Wisler, New Hampshire games manager, said, "The feds have never approached us. [UPS] checked with their lawyers, who said it was fine when second-day air service was used rather than ground service."

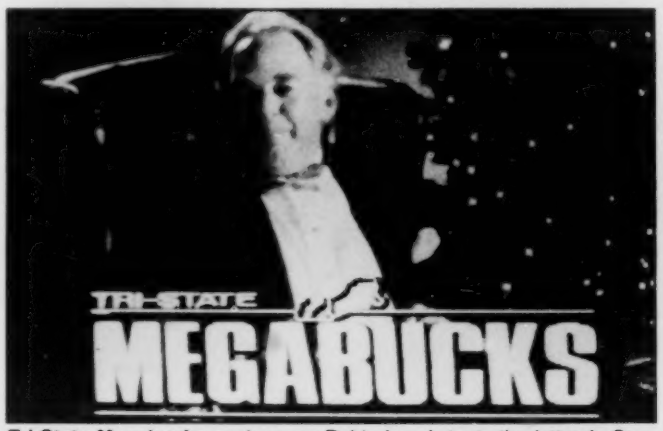
Bob Kenney, UPS spokesman, said the statute that applies to mailing lottery materials prohibits on-ground interstate transportation but doesn't cover air shipments.

Subscription service has its drawbacks. State agencies must be cautious approaching heavy players, who tend to be low-income minorities, Ms. La Fleur said. States also worry that such easy access will harm compulsive gamblers.#

Subscription sales

State	Total sales (in millions)	Subscription as % of sales
Maine[1]	$ 82.5	1.6
Maryland[1]	811.4	*
Massachusetts[2]	1,150.0	*
Michigan[3]	1,150.0	1.0
New Hampshire[1]	75.0	3.0
New York[4]	1,600.0	1.0
Vermont[1]	35.0	1.0

[1]Fiscal year ending June 30, 1988.
[2]Calendar year 1987.
[3]Projected figures for fiscal year ending Sept. 30, 1988.
[4]Fiscal year ending March 31, 1988.
*Subscription sales accounted for less than 1% of total sales.
Source: Advertising Age



Tri-State Megabucks spokesman Robin Leach touts the lottery's Season Pass as "the ultimate Christmas gift."

East NewsWatch

NEW YORK—**The Bank of New York** broke a multimillion-dollar campaign for its new 60-minute loan approval service Sept. 19, during the Olympic Games coverage. The multimedia campaign—the bank's largest advertising push for a single product—is scheduled to run through yearend and will include targeted media buys on CBS National Collegiate Athletic Association football and election-night programming. Ally & Gargano handles.

NEW YORK—The city **Board of Elections** breaks the second phase of its $250,000 voter registration advertising program Oct. 11 with English and Spanish print and outdoor ads directing voters to the proper polling place. Smith/Greenland handles.

CINNAMINSON, N.J.—**Wall to Wall Sound & Video**, a home entertainment products retailer with 96 stores primarily in the mid-Atlantic region, will add 19 stores in five states and the District of Columbia by the end of fiscal 1989, ending Feb. 28. Ten of the stores will be superstores, up to 17,000 square feet; 13 stores will be open for the Christmas selling season. Elkman Advertising, Bala-Cynwyd, Pa., handles the $8 million account, which is expected to increase with the store openings.

PHILADELPHIA—**Prism**, a regional cable TV network, named **McAdams, Richman & Ong**, Bala-Cynwyd, Pa., to succeed Earle Palmer Brown & Spiro on its estimated $500,000-to-$1 million account.

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Why Publix went West

Grocer seeks research strength

By LISA L. TREISTER

NEWS ANALYSIS

LAKELAND, FLA.—The shift of Publix Supermarkets' $15 million account to West & Co. from Benito Advertising highlights the increased competition in the supermarket industry in Florida—and the opportunity that offers an agency.

Although Publix's official reason for the shift is to consolidate its marketing and advertising assignments at one agency, West fulfills an urgent Publix requirement. The agency offers Publix the data-base marketing research capabilities that Publix must have to remain a leader in an industry where up-to-the-minute information about shopping patterns and product preferences is critical.

Not long ago Publix and Winn-Dixie Stores could take for granted the lion's share of supermarket sales in Florida. They still pull about 50% combined, but out-of-state newcomers such as Albertson's from Idaho and Food Lion from North Carolina have awakened the giants to the importance of aggressive promotion and savvy marketing.

The supermarket business has changed in this state dramatically, as shoppers originally hailing from other parts of the U.S. continue to move here, seeking the foods of their hometowns that may not be familiar to Florida grocers.

Jacksonville-based West & Co. has focused on market research since 36-year-old President-CEO Ben West took over his father's Cecil West & Associates in 1985.

BEN WEST

The younger Mr. West gained experience on the account side at New York agencies Ogilvy & Mather, Young & Rubicam and D'Arcy MacManus Masius, working on accounts such as Anheuser-Busch, Johnson & Johnson, Procter & Gamble Co. and SmithKline Beckman Corp.

A year after moving South, Mr. West was instrumental in gaining research and planning projects from Publix. At the same time, Publix hired Benito to succeed Young & Rubicam/Zemp, both Tampa, which had handled the business for 32 years.

West, which bills about $33 million, also handles the Florida Ballet, Jacksonville Symphony Orchestra, Florida Publishing Co. and more.

"I hit Publix at a good point," Mr. West said.

The timing was right in more ways than one. Publix, like West, is transferring top management roles to a second generation. It's no secret that Howard Jenkins, 37, is being groomed to take over management of the $4 billion privately held chain from his father, George Jenkins, Publix founder and chairman. The younger Mr. Jenkins is chairman of the executive board and VP-research & development.

It's also not surprising that the move has prompted bitter feelings at Benito, whose billings will drop to $30 million.

"We were never told that what we had wasn't working," said Duke Miller, Benito exec VP.

West's assignment, Mr. Miller said, was supposed to be strategic marketing, while his agency was named for newspaper and TV advertising.

Publix has continued to use longtime Y&R/Zemp-created slogans "Where shopping is a pleasure" and "Fresh picked; not picked over," even after giving the account to Benito.

Mr. Miller has said he felt he was "always walking around with [West's] shadow." He was unaware of a focus group test of a West-created TV commercial that beat out Benito's until after the test.

West was a finalist in Publix's review two years ago when Benito was given the assignment but didn't gain enough votes from the marketing committee at that time for the entire piece of business.#

Wrigley polishes gum's image

By JULIE LIESSE ERICKSON

CHICAGO—Wm. Wrigley Jr. Co. is out to increase gum consumption with an ambitious new multibrand TV campaign.

To create the campaign, BBDO drew on Phil Dusenberry, chairman-ceo of BBDO Worldwide's New York office, in addition to Group Creative Director Phil Gant here.

The campaign, which broke Sept. 18 with an initial 60-second spot, is aimed at increasing consumption particularly among males, said Ron Cox, Wrigley group VP.

Mr. Cox wouldn't reveal a budget for the corporate effort but said it was incremental to Wrigley's brand-specific spending and would represent a spending increase "in the high double digits."

That could mean as much as $20 million; in 1987, Wrigley spent $102 million in measured media to advertise its six key gum brands, according to Leading National Advertisers.

Gum consumption, which had been steadily declining, began to grow again in 1984, when Wrigley launched its Extra sugar-free gum made with NutraSweet.

"Now, we're trying to move the meter further," Mr. Cox said.

Wrigley claims about half of the $1.8 billion U.S. chewing gum market.

He said two major factors are responsible for the lag in consumption: price, which Wrigley addressed last year by cutting the price of its single five-stick packs to 25¢, and the social acceptability of chewing gum.

The new campaign, themed "Share a little piece of America," addresses that second factor.

Vignettes show "a whole host of very acceptable situations in which people chew gum," Mr. Cox said. Wrigley's four top brands—Big Red, Doublemint, Juicy Fruit and Spearmint—are featured in the spot.

Some of the footage is from previous Wrigley campaigns, but Mr. Cox said three-fourths of the scenes are new.

He described the campaign as a joint effort of BBDO's Chicago and New York offices. "The crux of the idea came from New York, then was refined in Chicago," he said.

The campaign is running on the Summer Olympics and other event programming, as well as network prime-time and spot buys.

Mr. Cox said other media will be added in the future.#

Reebok

(Continued from Page 1)

about $25 million goes toward "U.B.U."

The company has recognized, however, that the campaign must be taken beyond funky imagery to a more hard-hitting execution.

" 'U.B.U.' as a strategy is on target—it's the execution," said Mr. LaBonte, who maintains the company always knew there would have to be a second phase.

Sources close to Reebok said Chairman Paul Fireman, who's described as initially having been ambivalent about "U.B.U.," last week put out marching orders to move the campaign along.

Citing the advantages of the campaign, Mr. LaBonte said it caught attention fast and has flexibility. Now, he said, it needs to be more product-specific and focus more on performance.

That sort of jock talk is the lifeblood of sporting goods retailers, who make up an estimated 80% of Reebok's distribution, compared to 20% for department stores.

"U.B.U." has been popular with department stores, but it hasn't gone over well with many sporting goods outlets. A standing joke in one sporting goods chain buying office is "Let them be U.B.U. We be Nike."

George Corn, an athletic-shoe buyer for Allied Dept. Stores, Savannah, Ga., said, "I'm not a performance-type store. . . . 'U.B.U.' is the right type of campaign for my store."

But Footlocker, a national athletic-shoe chain based in New York, thinks the campaign is wrong.

"Nike's advertising is far superior because they hone in on actual items rather than lifestyle. Nike with Air is phenomenal," said Lamoine Adams, Footlocker's VP-general manager.

"We're geared to serious athletes," added Jim Hines, VP-merchandise, Oshman's Sporting Goods Stores, Houston. "Reebok's ads don't hit the mark for us. They may be award-winning and they may even sell a lot of shoes, but they don't say to the athlete, 'This is what we stand for.' . . . I'm not sure I understand them."

Frank O'Connell, president, Reebok Brands and the former ceo of HBO Video, has championed "U.B.U." from the start.

"What we're trying to do is see if we can take 'U.B.U.' and bring it to another level by being more product-specific," he said. "But if we can't do it with 'U.B.U.,' we'll do it with more product-specific advertising."

The theme will "continue to run for a period of time as part of an umbrella lifestyle campaign," Mr. LaBonte said. "In all likelihood it will continue to run into 1989. But you'll see some new commercials that were shot earlier and not used. Some will be more serious; some will stay light. We're not walking away from lightness altogether."

Despite the company's denials that Chiat/Day is in any trouble, one source said the agency is under considerable pressure to make "U.B.U." work.

Chiat/Day is experimenting with new executions, Mr. O'Connell said, noting that the task of expanding the campaign will fall to Reebok's new senior VP-chief marketing officer, Mark Goldston (AA, Sept. 19).

Asked what he thinks of "U.B.U.," Mr. Goldston said: "My personal opinions are not important at this point."

What matters, he said, is how the campaign performs.

The former Faberge president is expected to run classic marketing

Reebok's new Energy Return System shoe commercial has a light approach to its technological message.

tests against the campaign, measuring intent to purchase as well as awareness.

Reebok International has sales of about $1.4 billion so far this year, with the Reebok brand accounting for $1.1 billion—or about one-third of the $3.5 billion athletic-shoe market, compared to an estimated $1 billion for Nike.

Observers estimated Reebok could end the year with a 10% sales increase, compared to 7% to 8% growth for the industry.

Nike, which had an 81% jump in sales to $510.7 million in its first quarter ended Aug. 31, is growing faster.

So far in 1988, Nike has picked up some market share, advancing from 18.6% in 1987 to 25%, while Reebok is believed to have fallen from 37% in 1987 to 32% for the year to date.

That represents a switch for the two companies. Up until 1986, Nike led Reebok but was overtaken. Now it may be Nike's turn again.

Although Reebok's broader appeal once guaranteed it a pre-eminence that no other sports-shoe marketer could rival, it may now work against it.

As category and unit growth slow, Reebok will have to sell more higher-price shoes to make up the difference and also to boost profit margins as earnings come under pressure in an increasingly competitive market.

Traditionally, Reebok's strength has been in six classic shoes, including its $50 aerobics shoe, which account for half its business. Sales of the classic shoes have been particularly strong since "U.B.U." began, Mr. O'Connell said.

Reebok needs to boost sales in more expensive shoes that go head-to-head with Nike Air. Those can fetch as much as $110 a pair.

Reebok's new Energy Return System, retailing for $75 to $90, might be Reebok's answer to Nike Air.

Reebok broke a spot on NBC-TV's Summer Olympics telecast Sept. 22 for the Energy Return System, a technological advance meant to take the wind out of Nike Air.

The commercial isn't part of the "U.B.U." pool, though it retains a light approach to its technological message. Reebok executives see it as the halfway mark between where the company's advertising has been and where it's going.

But Oshman's Mr. Hines said overcoming Nike Air will take considerable effort.

"Nike has done a pretty good job of conveying Air, but ERS won't be easy to convey," he said.

While Reebok still leads Nike in many stores, Nike is coming on strong, thanks to Mr. Jordan and Air. In Oshman's stores, Mr. Hines said Nike and Reebok sales "are now just about in a dead heat."

And Nike intends to fan the competitive fires in 1989.

After increasing ad spending by 36% to $34 million in 1988, it will hike its budget 32% to about $45 million in 1989.

The No. 2 marketer is spending $20 million this fall on its "Just do it" campaign, running through next spring. Wieden & Kennedy, Portland, Ore., created the advertising.

This week it starts filming several new spots for the campaign, featuring Mr. Jordan and filmmaker Spike Lee as Mars Blackman, the ultimate Michael Jordan fan. That's a character Mr. Lee created in the movie "She's Gotta Have It."

Reebok will spend $70 million in total advertising this year, including $44 million for the Reebok brand alone, up 46% from 1987. The Reebok brand may or may not see an increase in spending next year.#

Marcy Magiera in Los Angeles and Alison Fahey in New York contributed to this story.

Rival shops fail to oust Backer on Lite account

By IRA TEINOWITZ

Miller Brewing Co. has seen the Lite and is keeping Backer Spielvogel Bates as agency for its top beer.

What the brewer apparently didn't see were creative suggestions thrilling enough to warrant a change.

As a result, Miller's seven-week review of its agencies' creative suggestions ended with plans for its top brand otherwise unsettled.

The brewer has yet to decide whether to keep its "Less filling, tastes great" campaign, featuring retired athletes, or replace that approach with another idea.

"We will test a variety of concepts," said Bob Bertini, public relations manager for Miller Lite, the No. 2-selling beer in the U.S. (behind Anheuser-Busch's Budweiser).

"But at this point we haven't made a decision on whether we will change the existing campaign for Lite and we have no timetable," he said. "For now, we will continue developing new creative using the traditional all-star advertising approach."

In July, Miller had asked Backer's New York office and the brewer's other agencies—J. Walter Thompson USA, Chicago and New York, and Leo Burnett USA, Chicago—to prepare creative suggestions for the account (AA, July 25).

JWT, New York, handles Miller High Life and Matilda Bay wine coolers. Its Chicago office handles Lowenbrau. Burnett is the agency for the Lite Genuine Draft test.

Executives at some of the agencies involved in the review said Miller apparently got similar campaigns from all the shops and that, given the similarity, felt there was no reason to switch.

"Apparently all three agencies recommended reasonably similar solutions to Lite's advertising problems, solutions which retained various elements of the advertising that originally built the brand to its position of prominence," said Hall "Cap" Adams Jr., chairman-ceo of Burnett.

"The original Lite advertising was brilliant, and, all things being equal, I think the agency that developed it in the first place is deserving of the chance to continue on the assignment," Mr. Adams said.

Mr. Bertini said Miller will now test various alternatives, but he said no decision had been made on whether to use focus groups or actual commercials.

"There were a lot of concepts thrown on the table, and we will test a variety," he said. "But we haven't decided the full extent the tests will take."#

Stealthy Honda

(Continued from Page 3)

a crew of six people working around the clock for seven weeks.

The spot starts airing in early October.

The designers based the model on a picture of the bomber that appeared in a recruitment newspaper ad for Northrop Corp., which is building the plane.

The model was transported to Florida in pieces for the shoot; it was then assembled on an abandoned 2-mile runway originally built for the Concorde.

Although the model was large enough to be seen from space, the commercial shoot attracted little attention, other than a U.S. Coast Guard aircraft looking for drug smugglers, agency executives said.

Honda's Prelude commercials have been the centerpiece of the importer's new-model campaign for the past several years, and each year the agency tries to top the previous year.

Last year, the Prelude was shown in a head-on shot while 220 horses rushed between the car and the camera to illustrate horsepower.

Honda's overall campaign for the new models this year takes an uncharacteristic turn—to more competitive messages.

Advertising promotes the number of firsts achieved by Honda and how the competition has chosen to follow in Honda's tracks.

One spot shows pictures of Honda Civics coming out of a photocopying machine as Mr. Travanti's voice says, "Their copies will never be as good as the original."

Also new for '89 is a beefed up radio schedule of spots featuring satisfied customers. Honda two years ago began running a TV commercial featuring real-family stories of loyal customers.

Honda's first '89-model print ad broke in *USA Today* Sept. 23.#

By Bob Garfield

Ad Review

Burger King effort is like a bad dream

(Rating: ★ ★ ½)

Did you ever have one of those frustration dreams?

The kind where, say, you have to reach somebody, and you're trying to use a pay phone, and you can't quite focus, and you keep misdialing, and your heart is racing, and you try to feed your quarter into the coin slot, and you drop it to the street, and it rolls into a storm sewer.

Sound familiar? Well, either you've dreamt it yourself, or you've been following the past four years of Burger King Corp.'s marketing history.

Here is a company that went from the giddy opium dream of ad-induced growth in the burger wars to a sort of Kafka-esque pentathol nightmare.

From "Herb" to "Burger King town" to "Fast food for fast times" to "We do it like you'd do it when we do it like we do it at Burger King," the runner-up fast-food chain has thrashed around, uncoordinated and unfocused, unable to reach who it needs to reach.

McDonald's Corp., meanwhile, has consolidated its franchise as the feel-good, family-fun, fast-food destination of first resort.

Predictably, everybody involved at No. 2 is in a dither. At Burger King and parent Pillsbury Co., there have been firings at the highest level. The new chairman of Pillsbury has promised better results soon, so help him—this amid rumors the Burger King division is for sale.

And at N W Ayer, the panic is palpable. Having only just won the business in the biggest account change ever, the New York agency already is making radical revisions in the advertising.

It's as if they're frantically fumbling for change, trying to stuff coins in the phone, breathlessly trying to make the right connection, desperately trying to get through.

The result: "We do it like you do it," a dizzying sequel to Ayer's remarkably ragged debut campaign.

Three new spots, directed by Leslie Dektor, look at how burger-eating seems to coincide with life's minor milestones, and at how readily Burger King burgers substitute for the home-grilled real thing.

Everybody seems just as at home reminiscing over a Whopper as they do enjoying the original *le sacre du barbecue* in their own backyards.

Three new spots from N W Ayer use life's little milestones to hammer home Burger King's image. Leslie Dektor adds a welcome touch but would have had more success if Burger King had an image to begin with.

One commercial centers on a victorious men's bowling team, another on a lovestruck pair of teen-agers and a third on a 30-somethingish family-with-baby. In each spot, Dektor cuts backs and forth between the memorable cookout and the Burger King reliving thereof.

There's some irony in Dektor's style: choppy and shaky and sort of disembodied—like a frustration dream. But these spots are also unquestionably more distinctive, uniform and aesthetically interesting than the original pool of Ayer commercials, which were wildly uneven.

There the dialogue was stilted and overdone. Here it is natural and unforced. Though his cinematic techniques are approaching irritating ubiquity, the Dektor Look is far better than no look at all.

So, yes, the new spots are better. They also are worse.

There's more to advertising than visual style. ("Burger King town" had visual style out the gazoo and an infectious music track to boot. It stayed on the air about 15 minutes.) What Ayer, in its panic, has excised is much of what the campaign *did* have going for itself: an idea.

Advertiser and agency had decided that their mission was to make Burger King synonymous with charcoal grilling. Period. And why not? It was a point of departure, the seed of a discrete marketing image, exactly what this client needs.

The problem with the first pool wasn't the concept but the pitiful executions. The commercials stank, not the idea. Given some comprehensible TV spots, $120 million a year and the resolve to stick with one premise, here was a theme that might have helped restore Burger King's erstwhile charbroiled image.

Even the goofy jingle had merit. It was to the point and, in time, would have caught on. If "Twoallbeefpattiesspecialsaucelettucecheese . . ." could become part of the vernacular, why shouldn't "We do it like you'd do it when we do it like we do it at Burger King"?

Alas, Burger King is way too jumpy to stick with anything for long. This company can't even decide whether to put its money in advertising or promotion, much less commit to one jingle. The new spots cut the lyric in half, so that what once was a quirky mouthful is now brief and forgettable.

As for the home-grilled/Burger King connection, these commercials retain it but not to its best advantage. That all-important message is obscured by the secondary theme tying burger consumption to life's formative experiences.

Uh, who cares? At this stage of the game, Burger King can't be trying to hit emotional hot buttons. It has to persuade consumers that the stores are clean, that the menus are predictable and that the food tastes good.

McDonald's can afford to be soft, fuzzy and mawkish; it's long since done the basics.

I could jab further. I could note that the teen-age romance spot is virtually identical to a spot Dektor shot for Pepsi-Cola Co. and BBDO Worldwide, London—including, I think, the use of the same shy, squeaky, handsome boy actor. But I don't want to pick too much. There's something very important for Burger King to do with this campaign: Nothing.

How can this company ever sell anybody else a brand image if it can't settle on one itself? Rather than cast about for the perfect commercial, Burger King would be well-advised to air the daylights out of some less-than-perfect commercials. These, for instance.

Something, anything, with consistency is better than something new every three months.

"Burger King town" wasn't breakthrough work, but—had anyone had guts to stay with it—the company wouldn't be doing now what we do when we do it like they do it at Burger King. In other words: living a nightmare.#

The rating system uses four stars to represent excellent, three for notable, two for mediocre and one for pathetic.

'Time' changes

(Continued from Page 3)

rushing out to sell fixed positions," he said. "We are doing this to better satisfy both readers and advertisers. We are addressing customer satisfaction."

Mr. Muller's changes may not have to make the difference for *Time* this year in ad page performance. After falling behind *Newsweek* in 1987 in total ad pages, *Time* in the first six months of 1988 had 1,207 ad pages, a 2% increase from that period last year, while *Newsweek* had 1,182 ad pages, a 6% decrease.

"The design is built to hold on to our readers," said Mr. Muller, who, with *Time* Art Director Rudolph Hoglund, created the magazine's new look. "We want them to think there isn't a better magazine around."

The changes appear in both content and design, and build upon alterations Mr. Muller has initiated.

"We've already added features like 'Profile' and 'Critic's Choice,' " Mr. Muller said. "But we've also been changing the tone of *Time*, make it less like a magazine preaching from Rockefeller Center. Now the form is following function."

The new "form" will include:

- A two-page "Index" rather than the existing one page.
- A more dramatic combination of photos and text in *Time's* front-of-the-book stories with larger, "gutsier" headlines, Mr. Muller said. He also will make more extensive use of pull-out quotes "to draw the reader in."
- New departments, including "Interview," which will alternate weekly with the existing "Profile" and "Travel," which Mr. Muller said "won't be some soft feature. We may do a piece on the most overrated travel destination."
- Expanding "Critic's Choice" to a page a week from a half-page appearing every other week. The plan also calls for expanding the "People" section, now usually a page, to two pages in a greatly redesigned format using varying body type and larger, more striking photographs.

The last significant redesign of *Time* was in 1977 by designer Walter Bernard. *Newsweek* underwent a major redesign two years ago that observers said resulted in a more unpredictable presentation than the traditional newsweekly format.

U.S. News & World Report, unlike *Time* and *Newsweek*, uses the back-of-the-book pages for service articles and bills itself as the most serious of the three.

Time remains the market leader as of June 1988, with 4.7 million average weekly readers, a growth of only 0.8% from the same period in 1987. *Newsweek's* circulation has reached 3.3 million, up 4.2%. *U.S. News* is third with 2.4 million and a growth of just 0.6%.

Newsweek's new publisher, Howard Smith, said he "wasn't fazed" by his rival's plans.

"*Time* had become inflexible to a point," he said. "Maybe someone over there got their way and said, 'We better change with the times.' We changed the basic concept of a newsmagazine. *Newsweek's* done it, and it's time for them to catch up."

Mr. Muller quoted from *Time* founder Henry Luce's original prospectus to justify many of the changes. In his 1923 prospectus for the magazine, Mr. Luce wrote: "*Time* is interested not in how much it includes between its covers, but in how much it gets off its pages into the minds of its readers."

"We thought about what we could give the reader in the 1990s, and it's really an old idea," Mr. Muller said. "Now the reader will have more ways to pull out information from our stories."#

AdWatch

(Continued from Page 4)

the **computer** category, a spurt that comes just as IBM Corp. seemed about to close the gap.

In August, Apple's advertising came to mind first for 30.2% of the respondents, up from its 24.1% share in July. IBM's advertising was named first by 22.6%, virtually unchanged from its 22.3% share in July.

Radio Shack was third with a 1.7% share.

- McDonald's Corp. once again has become an extremely active and visible print advertiser. That may help account for Big Mac's 4.3 percentage-point jump to a 47.1% share of first mentions in the **fast-food** category last month.

Burger King Corp. was second with 14%, up slightly from its 12.9% share of first mentions in July. Wendy's International was third with a 6.9% share, down from 9.3%.#

For more information, contact SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

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Advertising Age

100 LEADING NATIONAL ADVERTISERS

PART 1

Special Issue September 28, 1988

Advertising Age

Crain's International Newspaper of Marketing
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Philip Morris unseats P&G as top advertising spender

Package-goods giant's 24-year reign atop 100 Leading National Advertisers' list ends in year marked by continued emphasis on network TV buys and heavy new-product introductions

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By R. CRAIG ENDICOTT

Philip Morris Cos., powered by $1.56 billion in advertising spending in 1987, has overtaken Procter & Gamble Co. to become the nation's No. 1 national advertiser.

The 7.4% year-to-year growth in national ad spending at Philip Morris also outstripped the 4.3% composite growth of the nation's 100 leading advertisers, according to the 33rd annual ADVERTISING AGE 100 Leading National Advertisers' report.

Advertising spending at the tobacco, food and beer conglomerate reflected the same get-tough aggressiveness that PM employed against the anti-smoking lobby and internally toward its General Foods Corp. and Miller Brewing Co. subsidiaries. P&G, in a low spending cycle in new product marketing, spent $1.39 billion, down 7.6% from 1986. It was one of 35 companies among this year's top 100 that reduced national ad spending.

P&G held the No. 1 spot since it passed General Motors on the charts 24 years ago. GM, No. 3 this year, was the only other advertiser to break the billion dollar mark. Sears, Roebuck & Co. reached that pinnacle in 1986 spending, but a 19.8% drop in 1987 dropped it back to $886.6 billion and a No. 4 ranking.

Network TV continued as the favored medium among the 11 media measured in this report. It accounted for $6.67 billion, or 43.4% of $15.36 billion in media advertising spent by the Top 100. The 100 in fact are the lifeblood of the Big Three networks, representing 75.7% of all network spending in 1987.

Total Top 100 spending came to $28.4 billion, including heavy unmeasured spending of $13.04 billion. The so-called unmeasured advertising includes non-media ad forms such as couponing, in-store displays, free standing inserts, direct marketing, special events and promotions.

Spending by the Top 100 on network TV grew 4.2% in 1987 over 1986 as P&G and Philip Morris repeated their 1986 performance and stayed far ahead of the pack with expenditures of $377.6 million and $330.8 million, respectively.

Spot TV registered $3.36 billion in ad spending by the Top 100, up 4%. PepsiCo and P&G, as in 1986, led with spending of $271.1 million and $238.1 million, respectively. Magazines drew $2.38 billion in national advertising in 1987, up 3.5%. Philip Morris dominated consumer magazine spending with $243.3 million, up 8.1%. PM also led the list in 1986.

Newspaper advertising by the Top 100 rose to $1.07 billion in 1987, up 15% over the previous year for one of the larger year-to-year increases among the 11 media monitored. Automakers dominated in newspaper growth. There were 10 car companies among newspaper's top 25, and among them only expenditures for No. 1 newspaper advertiser, General Motors, grew less than 20%.

Growth in 1987 ad spending also continued a steady rebound that has been taking place since year-to-year growth plunged to 2.7% in 1985, the low point so far in the 1980s. In 1986, the Top 100 advanced 3.4%. The sluggish growth in advertising during this period has paralleled the downturn in the value of the dollar and extensive corporate restructuring, conditions that have placed a strain on sales and earnings.

Ad spending returns for first half of 1988 indicate this year may return the 100 Leaders to the flashier growth years of the 1970s and early '80s. Through the first six months, spending by all advertisers in the nine media tracked by BAR/LNA increased 15.7% to $16.4 billion. Among the five top media, network TV rose 16.5% to $4.74 billion, compared with year-ago figures. Spot TV increased 13% to $4 billion; newspapers grew 6.6% to $3.2 billion; magazines, 25.9% to $2.7 billion; and syndicated TV, 34% to $424.8 million.

New product development among the 100 continued heavy in 1987, particularly for low-cholesterol products, frozen entrees and novelties and microwaveables. The con-

(Continued on Page 2)

100 Leading National Advertisers

Rank	Advertiser	Ad spending	Rank	Advertiser	Ad spending	Rank	Advertiser	Ad spending
1	Philip Morris Cos.	$1,557.8	35	Schering-Plough Corp.	$250.2	69	Hershey Foods Corp.	$122.8
2	Procter & Gamble Co.	1,386.7	36	Walt Disney Co.	249.8	70	Seagram Co.	122.3
3	General Motors Corp.	1,024.9	37	Honda Motor Co.	245.4	71	Coemair Inc.	117.2
4	Sears, Roebuck & Co.	886.5	38	H.J. Heinz Co.	245.3	72	CPC International	115.3
5	RJR Nabisco	839.6	39	IBM Corp.	240.8	73	Kroger Co.	115.3
6	PepsiCo Inc.	704.0	40	Grand Metropolitan PLC	231.6	74	Loews Corp.	115.2
7	Eastman Kodak Co.	658.2	41	Campbell Soup Co.	230.7	75	Dr Pepper/Seven-Up	114.1
8	McDonald's Corp.	649.5	42	Tandy Corp.	225.1	76	Subaru of America	113.2
9	Ford Motor Co.	639.5	43	BCI Holdings Corp.	223.2	77	Wm. Wrigley Jr. Co.	112.5
10	Anheuser-Busch Cos.	635.1	44	American Express Co.	212.5	78	Prudential Insurance Co.	111.3
11	K mart Corp.	631.8	45	Time Inc.	196.6	79	Warner Communications	110.4
12	Unilever NV/PLC	580.7	46	Pfizer Inc.	182.1	80	Delta Air Lines	108.6
13	General Mills	572.2	47	Nissan Motor Co.	181.4	81	Wendy's International	107.6
14	Chrysler Corp.	568.7	48	IC Industries	169.3	82	Philips NV	107.2
15	Warner-Lambert Co.	558.1	49	Volkswagen AG	167.3	83	B.A.T. Industries PLC	105.3
16	AT&T	531.0	50	Mobil Corp.	166.3	84	Daimler-Benz AG	105.0
17	Kellogg Co.	524.9	51	Revlon Group	165.2	85	Gillette Co.	103.8
18	J.C. Penney Co.	513.5	52	Hyundai Group	164.3	86	Stroh Brewery Co.	102.9
19	Pillsbury Co.	473.9	53	U. S. Dairy Associations	161.4	87	Clorox Co.	102.1
20	Johnson & Johnson	459.3	54	Beecham Group PLC	153.3	88	BMW AG	99.5
21	Ralston Purina Co.	436.6	55	AMR Corp.	152.6	89	S.C. Johnson & Son	96.4
22	Kraft Inc.	400.7	56	Mazda Motor Corp.	151.9	90	Goodyear Tire & Rubber Co.	95.0
23	American Home Products	390.4	57	American Brands	151.4	91	Hallmark Cards	93.9
24	Mars Inc.	378.6	58	ITT Corp.	151.3	92	E&J Gallo Winery	93.6
25	Coca-Cola Co.	364.7	59	Du Pont Co.	149.7	93	MCA Inc.	91.4
26	Bristol-Myers Co.	358.9	60	Bayer AG	145.4	94	Marriott Corp.	88.5
27	Quaker Oats Co.	344.4	61	Adolph Coors Co.	144.7	95	Franklin Mint	86.6
28	Nestle S.A.	340.8	62	Nynex Corp.	142.8	96	Southland Corp.	86.1
29	U.S. Government	311.3	63	Bell Atlantic Corp.	138.6	97	United Biscuits (Holdings)	84.8
30	Colgate-Palmolive Co.	279.8	64	UAL Corp.	137.8	98	Reuters Inc.	84.7
31	Sara Lee Corp.	278.1	65	Dow Chemical Co.	135.7	99	Monsanto Co.	84.7
32	General Electric Co.	272.6	66	Nestlé Corp.	134.9	100	Amerltech	83.4
33	Toyota Motor Corp.	257.7	67	Hasbro Inc.	134.3			
34	American Cyanamid	250.4	68	Texas Air Corp.	124.3		Media Dollars are in millions.	

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Leaders

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troversial "smokeless" cigarette also was announced by R.J. Reynolds Tobacco Co., a unit of RJR Nabisco, ranked No. 5 on the list.

In the tobacco business, PM, in particular, bared its teeth. Earlier this year, PM supported archrival RJR when it fired Saatchi & Saatchi DFS Compton for preparing a Northwest Airlines' no-smoking ad campaign and then financed an ad campaign to remind American industry of the economic power the American smoker wields.

PM, tiring of the earnings performance at its General Foods and Miller Brewing Co. subsidiaries, ordered a turnaround, but not without greater ad support. The dictate ultimately led to the departure of each unit's top executive.

PM first became a contender for the top spot in late 1985 when it bought General Foods, then spending $450 million in U.S. national advertising and ranked No. 12. PM was sixth at the time. Their totals, consolidated in the 1986 report, vaulted PM to the No. 2 spot behind P&G.

A similar development occurred this year in the 100 Leaders chart with Eastman Kodak Co.'s acquisition of Sterling Drug. Combined ad spending elevated Kodak to No. 7 from No. 34 the previous year.

Auto advertising remains the largest ad category among the 100 Leaders, with $3.72 billion, or 13.1% of composite ad totals of the Top 100.

Among the Big Three, GM clearly dominated the chart with $1.02 billion in advertising, up 22.2% over 1986, and well ahead of the No. 9 Ford Motor Co. at $639.5 million, down 1.7%. But Ford bested GM in total earnings for the second straight year.

The decline in the value of the dollar particularly crimped sales of imports in the U.S. market by pushing up sticker prices. Lower unit sales were reported by No. 33 Toyota Motor Corp., No. 47 Nissan Motor Co., No. 49 Volkswagen AG, No. 56 Mazda Motor Corp., No. 76 Subaru of America, No. 84 Daimler-Benz AG and No. 88 BMW AG. Unit volume declines ranged from 3.3% to 15.9%.

The auto market segment least affected by the dollar was the low-end sector where Hyundai Group, No. 52, lowballed the competition with its single vehicle, the Excel.

Four of the 12 entries to the 100 list in 1987 were automakers: BMW, Daimler-Benz, Hyundai and Subaru of America. Others were: No. 75 Dr Pepper/Seven-Up, No. 91 Hallmark Cards, No. 94 Marriott Corp., No. 95 Franklin Mint, No. 96 Southland Corp., No. 97 United Biscuits (Holdings), No. 98 Borden Inc. and No. 100 Ameritech.

Despite the successes of Hyundai, the big Japanese importers are favoring the high-end segment with pricy cars marketed through dealerships separate from their less expensive brands. Honda's Acura division is miles ahead of its fellow importers. The division expects sales of 400,000 by 1990. It markets the $20,000-plus Legend and the $13,000-plus Integra, both imported. But by 1989, they will be produced at Honda's Ohio plant.

Toyota plans to spend $60 million to back the introduction next fall of the Lexus through a separate dealership network. Nissan expects to have 75 free-standing dealers selling its upscale Infiniti model in 1990. The introduction will be supported with $60 million in ad spending.

Among new products, concern over cholesterol levels in the American diet has led to a proliferation of anti-cholesterol drugs to foods with low-to-no-cholesterol content. The market for anti-cholesterol drugs, pegged at $500 million, is expected to mature into a $5 billion annual market by the mid-1990s, analysts predict.

P&G set up an olestra division, named for a revolutionary fat substitute that awaits FDA approval. Initially P&G's olestra will be used in Puritan and Crisco cooking oils and shortenings and Pringle's potato chips. This February, P&G petitioned the FDA to revise its listing of Metamucil's laxative benefits to include cholesterol reduction.

PYA/Monarch foodservice division of No. 31 Sara Lee Corp. introduced two rapeseed cooking oils that claimed zero cholesterol and 50% less saturated fat. Unilever NV's Thomas J. Lipton unit is testing Country Fair Light Butter, touted as a reduced-calorie butter with 50% less cholesterol and fat than other brands.

Warner-Lambert Co.'s stock shot up 5 points in late 1987 when a study found that its ethical drug, Lopid, reduced the risk of heart attacks by increasing high-density lipids that aid in unclogging arteries.

W-L also launched Promega fish-oil vitamin supplement, which reduces cholesterol. Out of a joint effort between its consumer product

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Network TV continued as the favored medium among the 11 media measured, accounting for $6.67 billion. The 100 in fact are the lifeblood of the Big Three networks, representing 75.7% of all network spending in 1987.

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Where Advertising Age got its data

The national advertisers in this 33rd annual AD AGE 100 Leading National Advertisers Report, Part 1, are selected on the basis of measured ad spending only.

Unmeasured ad estimates then are applied to the leading 200 advertisers to determine rankings. AD AGE will report on marketers ranked Nos. 101-200 in Leading National Advertisers Report, Part 2, on Nov. 21. Ad spending is U.S. only and is for calendar 1987 and 1986.

BAR/LNA reports supplies the bulk of measured media information. Magazine and newspaper supplements are supplied to Leading National Advertisers by Publishers Information Bureau. Outdoor is supplied to LNA by Outdoor Advertising Assn. of America and Institute of Outdoor Advertisers. Network TV, spot TV, network radio and cable TV networks are supplied by Broadcast Advertisers Reports. BAR/LNA's seven-media service also supplies brand and category spending by media. Seven-media totals quoted in profiles throughout this issue include the aforementioned media.

BAR is monitoring ad expenditures on syndicated TV separately from network TV and spot TV buys. These spots are bought nationally with the show, much like network TV buys. This spending is not included in measured media in this issue.

Other monitored media includes newspaper from Media Records, business publication from MMS/Rome Reports, farm publication from AGRICOM and spot radio from Radio Expenditures Reports.

Some measured media expenditures are restated to reflect corporate structure as of Aug. 7, 1986. Companies acquired before that date are included in the new parent's ad spending for full calendar 1987 and 1986 totals. Units spun off before the end of calendar 1987 are subtracted unless otherwise noted.

Measured-media services vary in the way they track ad spending. For example, MMS/Rome Reports tracks ad spending by division, rather than parent total. Every effort has been made to give full parent company ad expenditures wherever possible.

Unmeasured advertising figures are estimates and include direct mail, promotion, co-op and couponing to name a few. Local newspaper advertising is not included, but free-standing inserts distributed nationally are considered part of unmeasured. AD AGE beat reporters and corporate sources assist in providing this total.

Sales and earnings figures are taken from public documents. Where private companies will not divulge this information, an estimate or an "NA" is used. Foreign currency conversion rates are stated in the profiles.

In the boxes accompanying each profile, sales credited to U.K.-based companies is their turnover and net income their trading profit attributable to ordinary shareholders. For credit card companies, sales are their total annual volume. These numbers also appear in the table "Top 100 advertisers by primary business" on Page 152.

—*Kevin Brown*

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